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NEWS SUMMARY

GENERAL

Afghan crisis may lead to new links

Fears for European security following the Soviet invasion of Afghanistan could result in new EEC efforts to forge closer links with Yugoslavia, Turkey and the Gulf States.

...This emerged in the wake of Tuesday's meeting of EEC foreign ministers which condemned the attack and supported U.S. agricultural sanctions.

In Washington, Secretary of State Cyrus Vance said a U.S. boycott of the Olympic Games in Moscow was highly likely if the Soviets had not curtailed military activities in Afganistan by mid February. Back Page: Yugoslavia—a tough nut for Russia Page 22

Iran threat

Iran threatened to drop oil production to about 1.5m barrels a day—less than half present levels—if Western Europe and Japan impose economic sanctions in support of U.S. pressure to release the American hostages in Tehran. Back Page

Aeroflot blast

Explosion at the Soviet airline Aeroflot office in Damascus shook the town while Foreign Ministers of Syria, Libya, Algeria, South Yemen and the PLO ended a conference.

Israeli warning

Israel's Deputy Premier Yigael Yadin cautioned the U.S. against trying to win friends in the Arab world by putting pressure on Israel. Page 3

Jurors protest

Four jurors in the recent Old Bailey anarchy trial have protested to the Lord Chancellor about remarks made by Judge Alan King Hamilton at the end of the case. After returning their verdict, he said: "I hope to God that none of you will ever have occasion to regret it."

Petrol up 5p

Other companies followed BP's lead and increased petrol prices by about 5p, taking the cost of a gallon of four star to about 123p. Heating fuel oil prices will also rise. Page 6

McCartney held

Former Beatle Paul McCartney, 37, was charged with possession and smuggling of about half a pound of marijuana at Tokyo airport. If found guilty he could be sentenced to a maximum of seven years in prison, officials said.

Police raids

Nine men were held for questioning, including actress Barbara Windsor's husband Ronald Knight, after raids in London and the Home Counties by police investigating murders, armed robberies and serious crime.

Mortgage rates

Nationwide Building Society chief general manager Leonard Williams said an immediate fall in mortgage rates was unlikely even if other interest rates began to decline. Page 5

Dart fan ruling

A 14-year-old Cheshire football fan who threw a dart which struck policeman David Large's face during an FA Cup watch was given three months' detention at Northwich juvenile court.

Briefly . . .

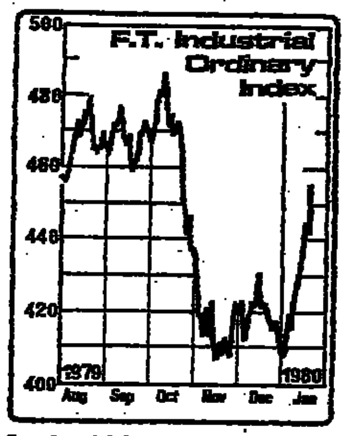
Left-wing Basque Nationalist was shot dead on his doorstep in San Sebastian.

Huge rats invaded a blacks-only hospital in Johannesburg, endangering babies and eating patients' food.

BUSINESS

Equities up 13.8; Golds strong

● EQUITIES rose throughout the day, and the FT 30-share index jumped 13.8 to 455.5, its biggest rise since last April.



South African GOLDS again followed bullion, and the Gold Mines index was 19.1 up at 356.1.

● GILTS staged their eighth successive rise, and the Government Securities index closed 0.47 up at 68.52.

● GOLD rose $67.5 in London to close at $755—its biggest one-day rise.

● STERLING lost ground against most curencies to close 95 points off at $2.2680, and its trade-weighted index fell to 71.7 (72.0). DOLLAR closed at its weakest level for the day and its index slipped to 84.6 (84.9).

● WALL STREET was up 1.79 at 870.39 before the close.

● FIRST STERLING Eurobond since last July, a £50m 10-year issue for Citicorp, was launched by Credit Suisse First Boston. Page 28 and Lex, Back Page

● BANK of England's new Deputy Governor from March 1 will be Christopher "Kit" McMahon, 52. He is to take over from Sir Jasper Hollom, 62, in a big reshuffle of senior bank officials. Back and Page 6

● CLEARING banks and the Bank of England are to stop development of CHAPS, the automated payment system, after spending about £2m over three years.

● MANAGING director of GEC/Fairchild, the joint microchip venture between General Electric Company and Fairchild of the U.S., has resigned.

● KITCHEN QUEEN Group chairman and chief executive Neville Johnson resigned 24 hours before the company's first annual meeting. Page 24

● RISING TREND of productivity in West German industry is slowing down, according to a report by the Bundesbank, the West German central bank. Page 2

● WATER supply and sewerage workers in the National Union of Public Employees were given authority by the union to take industrial action over pay. Page 9

COMPANIES

● TRUST HOUSE FORTE, the hotels, catering and leisure group, reports a 23 per cent rise in pre-tax profits for the year from £55.5m to £68.2m. Page 24 and Lex, Back Page

● TATE AND LYLE profit recovery was curbed by reconstruction and development costs, and trading profit for the year slipped £6.3m to £30.1m. Pre-tax profits, however, were £1.6m ahead at £26.2m. Page 24 and Lex Back Page

● LETRASET International, the artists' materials' distributor, stamp dealer and leisure products manufacturer, raised first-half pre-tax profits from £5.2m to £6.3m. Page 26 and Lex, Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES					
Treas. 14pc 98-01	£110¼	+ 1	Siebens (UK)	506	+ 28
B and Q (Retail)	90	+ 6	Castlefield Klang	410	+ 30
Blue Circle	276	+ 12	Cons. Gold Fields	466	+ 8
Bowater	165	+ 9	Durban Deep	£14¼	+ 1⅞
DRG	99	+ 5	FS Geduld	£27¾	+ 2⅞
Elson and Robbins	88	+ 7	Gld. Fld. S. Africa	£33¾	+ 3½
First Ntnl. Finance	16¼	+ 3½	Jo'burg Cons.	£28¼	+ 2¾
French (T.)	98	+ 10	Lydenburg	185	+ 28
Hinton (Amos)	88	+ 12	Metals Exploration	55	+ 10
Horizon	222	+ 14	President Brand	£19	+ 2¼
House of Fraser	124	+ 8	Rustnbrg. Platinum	300	+ 15
ICI	378	+ 11	Welkom	670	+ 57
Lloyds and Scottish	134	+ 12	West Driefontein	£38¼	+ 2⅞
Lonrho	101	+ 6	Whim Creek	93	+ 23
Magnet & Southerns	164	+ 18	FALLS		
Reed Executive	75	+ 7	Allied Colloids	126	− 10
Stakis (Reo.)	59	+ 7	Decca	325	− 10
Tate and Lyle	168	+ 8	Vosper	190	− 15
Trusthouse Forte	158	+ 16	Loraine	350	− 31
BP	354	+ 16	Northern Mining	133	− 10

Steel unions ready to call out private sector in 10 days

BY ALAN PIKE, LABOUR CORRESPONDENT

Uunion leaders will from today attempt to halt the movement of all steel throughout Britain and intend to call their private sector members into the national steel strike from January 27.

As Mr. Bill Sirs, general secretary of the Iron and Steel Trades Confederation, announced these moves to intensify the strike, he added a warning of a potential "holocaust" if the British Steel Corporation board goes ahead with decisions on plant closures and redundancies when it meets today.

Union leaders now consider themselves in direct conflict with the Government in their pay battle. They believe that any moves by BSC to implement its plans for at least 52,000 redundancies during the dispute will aggravate the battle still further. Mr. Sirs warned that, if as appears possible the BSC board decides in favour of closure options for South Wales, it would be "engaging the wrath of the TUC."

The TUC nationalised industries committee has already threatened the most serious industrial consequences unless BSC withdraws its closure proposals. Mr. Sirs, asked whether his references to a holocaust implied a general strike, said he would hate to think this might happen. But if the closures issue became embroiled in the pay dispute, the effect might be "absolutely stupendous" and it was "unbelieveable what could happen."

The decisions to try to halt all steel movements and involve the private steel manufacturers were taken at a joint meeting of the ISTC and National Union of Blastfurnacemen's executive yesterday.

Letters instructing pickets to halt all steel movements were going out from union headquarters last night. The task of stopping all steel is a giant one—to succeed it would involve successful picketing at the many hundreds of private steelworks and stockholders. But it will simplify the activities of pickets, who will now attempt to stop movements of steel regardless of source or destination.

Next week, ISTC and NUB leaders will meet union representatives from nine countries to discuss ways of making the ban on steel imports to Britain, already being imposed by a number of foreign unions, more effective.

There was a long discussion at yesterday's executive meeting about whether the private manufacturers, who negotiate entirely separately from BSC, should be involved in the dispute. The 10-day breathing space allows time for further peace moves. Before the January 27 deadline, it is possible that the Advisory, Conciliation and Arbitration Service, which has been seeing the parties individually during the past week, will try to bring them together. However, hopes of a rapid settlement seem remote at present.

Further meetings of the ISTC and NUB executives would be needed to issue the strike instruction to private sector members, but these would be a formality. Some of the private sector men are reluctant to become involved in the BSC fight, but Mr. Sirs said they would strike if the dispute was becoming a political battle.

Elinor Goodman writes: Sir Keith Joseph, Industry Secretary, is likely to repeat the Government's belief that the dispute is one for BSC and the unions to sort out between them in today's Commons debate on the strike. But there is growing concern among some Ministers that Sir Keith should not tie the Government's hands too closely.

They argue that a prolonged strike is in no one's interest and that though the Government should not be seen to give way on BSC's cash limits, it should not underestimate the effect the strike is having on the performance of other financially troubled nationalised industries.

Strike effects Page 6

Deutsche BP in pipeline plan with Soviet Union

BY KEVIN DONE IN HAMBURG

A GROUP of West German energy companies led by Deutsche BP, the German subsidiary of British Petroleum, is pressing ahead with negotiations with the Soviet Union for the construction of a DM20bn (£5.1bn) natural gas pipeline.

This is despite possible moves by leading Western nations to implement trade sanctions against Moscow because of the Afghanistan invasion.

A three-man delegation, led by Herr Hellmuth Buddenberg, chief executive of Deutsche BP, was in Moscow for two days at the end of last week for talks.

Herr Buddenberg said in Hamburg yesterday that the project would involve building a new pipeline stretching nearly 2,700 miles from the gas fields in West Siberia to Western Europe.

The fields are believed to contain reserves of seven to 10 trillion (million million) cubic metres of gas — five times the proven recoverable reserves on the UK Continental shelf

Deutsche BP has gone to some lengths to point out that the talks were initially arranged last November. It is anxious that the discussions should not be dragged into the political arena and is stressing that the gas project has important long-term implications for energy co-operation between Western Europe and the Soviet Union.

The Deutsche BP delegation was in Moscow under the flag of Gelsenberg, its wholly-owned West German subsidiary it acquired last year from Veba, West Germany's partly state-owned energy company.

Herr Buddenberg said yesterday that the new pipeline, which could be operating by 1985-86, could have the capacity for delivering as much as 40bn-50bn cubic metres of natural gas a year to Western Europe.

Herr Kirsten, finance director of Deutsche BP, said the Soviet Union was pushing ahead with plans to develop the West Siberian gas fields, partly to meet its own energy needs, but also for export to Western Europe.

To date, Gelsenberg's negotiations have been conducted on its own behalf. But a firm pipeline project would involve a consortium of gas companies in Western Europe, together with engineering companies and a consortium of banks.

Ruhrgas, the leading West German gas distribution company—of which BP also owns 25 per cent through Gelsenberg—said yesterday that it was aware of the Soviet Union's plans for a new pipeline project from Siberia. When the Soviet Union made a final commitment to the project, Ruhrgas would also expect to play an important part in the consortium

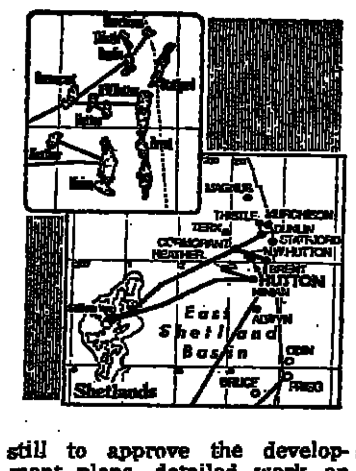
Pioneer platform for North Sea

BY RAY DAFTER, ENERGY EDITOR

A GROUP of eight companies, led by U.S.-based Continental Oil, is to spend about £600m on developing a North Sea oil field with revolutionary technology.

The Hutton Field, 90 miles north east of the Shetland Islands, will be exploited through a tension leg platform, a floating structure anchored to the seabed by vertical mooring lines. It will be the first field in the world to be developed through such a system, designed for operation in depths of water beyond the capability of existing technology.

Mr. William Schmoe, chairman of Continental Oil Company and executive vice-president of Conoco North Sea—the field's operator—said both the offshore consortium and the support industries would fulfil a pioneering role in the oil industry.



Hutton is a medium sized North Sea field with recoverable reserves of 175m to 250m barrels. Production is due to begin early in 1984. Oil is expected to flow at a peak rate of 115,000 barrels a day. The oil will be transported to Sullom Voe in the Shetlands via the Brent pipeline system.

Conoco and its partners have worked on the tension leg platform for five years. The field's owners include two State-owned companies, British National Oil Corporation and British Gas. The others are: Gulf Oil Corporation, Amoco (UK) Exploration, Amerada Petroleum Corporation, Mobil North Sea, and North Sea Inc. (Texas Eastern).

Although the Government has still to approve the development plans, detailed work on the project is already under way.

Continued on Back Page

MINISTER SETS FINANCIAL TARGETS FOR GAS AND ELECTRICITY

More power rises to come

BY RICHARD EVANS, LOBBY EDITOR

NEW FINANCIAL targets set by the Government for the gas industry will mean price rises of 10 per cent in real terms this year, followed by comparable increases over the next two years, Mr. David Howell, Secretary for Energy, told the Commons yesterday.

He also estimated that electricity prices would rise over the three years to 1983 by about 5 per cent, in addition to increases due to the industry's own costs.

The announcement brought angry protests from Labour MPs and visible concern from Conservatives at the impact on the cost of living.

But Mr. Howell maintained that prices had to rise to a proper level, if energy supplies were to be preserved for future generations.

He confirmed that the Government had set targets appreciably higher than those sought by the British Gas Corporation, and the result would be additional profits of between £200m and £300m for the industry next year.

Details of the tariff changes necessary to achieve the targets were a matter for British Gas, but the Minister forecast that on an average quarterly domestic bill, of £29, the cost next year would be an additional £7.

Of this, £4 would be due to inflation and the remaining £3 would be due to the real increase in the price of gas. Average bills would be 50p a week higher.

The target for the electricity supply industry in England and Wales had been set at an average annual rate of return of 1.8 per cent on net assets valued at current costs.

The Government has asked both the Gas Council and the Electricity Council to phase this year's increases in two stages, in April and October.

Our energy staff writes: Mr. Howell has considerably stiffened the British Gas Corporation's financial target. In the last financial year, the corporation made a record profit of £360.7m on a turnover of £2.97bn, representing a 6.1 per cent return at replacement cost.

The combination of large, increasing profits and high and rapidly rising prices, presents the Government and British Gas with a problem of presentation and Energy Department officials have been considering ways of applying a special tax on the corporation's profits.

According to British Gas, gas prices fell by more than 15 per cent in real terms between April 1977 and June last year.

Mr. Howell's statement will be generally welcomed by the Electricity Council, which has argued that electricity prices are lower than their proper economic level and the rate necessary to secure an adequate real return on investment.

The council believes the 1.8 per cent average rate of return set by the Minister is consistent with the cash limits laid down by the Government for the next financial year.

The council is having difficulties meeting both its financial target and cash limits in the current year, and all the indications are that it will not achieve them.

Parliament Page 8

Earnings up 19.2%

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE RATE of increase of average earnings has accelerated considerably in the last few months. This is the result both of the recent rise in the level of wage settlements and of the first payments in the public sector of the Clegg comparability awards.

Department of Employment figures published yesterday show that the index of average earnings covering 21m workers in the whole economy rose 19.2 per cent to 162.2 (January 1976 = 100) in the 12 months to November. This compares with 17 per cent in the previous month.

The figures probably exaggerate the trend, since back-pay to Post Office and gas supply manual workers, and high overtime payments to engineering workers after the end of their dispute, may have added an exceptional 1 to 1½ points to the 12-month rate in November.

Consequently, the Whitehall view is that the underlying rate of increase is about 18 per cent. Officials admit there is clear evidence of an acceleration in the trend—possibly of about 1 percentage point a month in the 12-month rate.

In the late summer last year, the underlying rate of increase was reckoned to be 15 to 16 per cent. In the spring, the rate was said to be 14 to 15 per cent.

The implications of the figures are certainly disturbing for the Government in view of

Continued on Back Page
Editorial Comment Page 22

Gold rises to $755 in London

BY DAVID MARSH

GOLD ROSE to a new peak of $755 an ounce at the close of heavy trading in London yesterday, up a record $67.5 from its overnight price.

Silver and platinum also rose to records, while speculative demand boosted most base metal prices on the London Metal Exchange. The dollar again remained largely unaffected by the activity on the bullion market.

Anxieties about Soviet intentions in Iran and Yugoslavia and Tuesday's announcement that the U.S. would refrain from selling gold for the time being were the main factors behind yesterday's renewed bullion surge.

The gold price reached a peak of $765 at the London morning fix. Though the price dipped slightly later on there was no widespread profit-taking at the higher levels.

Since the U.S. Treasury held its last gold auction 2½ months ago the gold price has doubled. It has risen more than 40 per cent since New Year's Eve, and is three times its price of last May.

Silver closed at £20.90 an ounce, up £1.35 from Tuesday, after briefly touching £22 during the day. Its price has increased fivefold since August. Platinum rose £5.65 to £383.65 per ounce.

The dollar fell in the afternoon to close slightly lower on the day against most leading currencies except the pound. It finished at DM 1.7215 against DM 1.7275 and SwFr 1.5850 (SwFr 1.5935). Sterling fell slightly to $2.2680 from $2.2775, with its trade-weighted index down to 71.7 from 72.0.

The dollar's trade-weighted index yesterday fell to 84.6 from 84.9.

Rush to sell heirlooms Page 5
Lombard Page 20

£ in New York

—	Jan. 15	Previous
Spot	$2.2830-2845	$2.2850-2865
1 month	0.59-0.54 dis	0.66-0.61 dis
3 months	1.28-1.23 dis	1.33-1.28 dis
12 months	3.55-3.35 dis	3.60-3.40 dis

CONTENTS

For latest Share Index phone 01-246 8026

Productivity rise slowing down in West Germany

BY KEVIN DONE IN FRANKFURT

THE RISING trend of productivity in West German industry is slowing down, according to a report published by the Bundesbank, the West German central bank. Measuring productivity according to the amount of gross national product (GNP) achieved for each hour worked, the Bundesbank estimates that productivity in the years from 1974-79 rose by only 3.7 per cent, compared with a rise of 4.6 per cent from 1970-73.

Compared with the 1960s, the slow-down is even more marked. In the years from 1961-64, productivity in the West German economy rose by 5.2 per cent and from 1965-69 it showed an increase of 5.3 per cent.

Despite the falling trend, however, the Bundesbank study shows that the West German performance during the past two decades has been equalled or bettered by only two of the other leading Western industrialised countries—Japan and France.

Measured according to the amount of GNP achieved by *each member of the national* workforce, Japan has clearly shown the most dramatic increase in productivity in the past 20 years. The major progress was achieved in the 1960s, but in the years from 1970 to 1973 Japan improved its productivity by 7.9 per cent a year and in the last six years increased it again by 3.4 per cent a year.

Over the same periods, France showed improvements of 4.9 per cent and 3.2 per cent a year, and West Germany of 4.1 per cent and 3.1 per cent a year Britain and the U.S. have repeatedly shown the worst performance during the past 20 years of all the countries selected by the Bundesbank for the study.

From 1970-1973, the UK boosted productivity by 3.6 per cent a year and in the past six years to the end of 1979 by only *0.8 per cent a year. Only the* U.S. has shown even smaller productivity gains, with increases for the same periods of 1.4 per cent and 0.1 per cent a year.

The contrast between the UK *and the U.S., and the other* leading Western industrialised countries is most marked during 1979, and shows how much ground has been lost in the past 12 months. U.S. productivity, according to the Bundesbank study, actually showed a fall of 1 per cent in 1979, while the UK could only achieve an improvement of 0.2 per cent.

In contrast, Japan produced an improvement of 4.7 per cent, West Germany of 3.1 per cent, Belgium of 2.7 per cent and France of 2.5 per cent.

The Bundesbank puts forward various reasons for the falling trend in productivity improvements in West Germany, but highlights chiefly the corresponding fall in the trend of capital investment.

It also warns that, over the longer term, the steep increases in energy prices will act as another major factor in slowing *future improvements in productivity.* Any pronounced switch to coal will mean at least a partial return to more labour intensive activities, while higher oil prices will severely limit activity in some industrial *sectors.*

LABOUR PRODUCTIVITY IN SELECTED COUNTRIES*

Average annual change in percentage

Time	W. Germany†	U.S.	France†	UK	Japan	Belgium	Holland
1961/64	+4.3	+3.0	+5.0	+2.4	+10.6	+4.2	+3.1
1965/69	+4.7	+1.9	+4.5	+2.5	+9.3	+3.9	+4.3
1970/73	+4.1	+1.4	+4.9	+3.6	+7.9	+5.2	+4.8
1974/79‡	+3.1	+0.1	+3.2	+0.8	+3.4	+2.5	+2.4
1979‡	+3.1	−1.0	+2.5	+0.2	+4.7	+2.7	+2.4

* Gross national product per member of national workforce. † Gross national product per member.
‡ Partly estimated.

Forecasts gloomy for Belgium, Luxembourg

By David White in Paris

HIGHER INFLATION, slower economic growth and bigger trade deficits are in store for both Belgium and Luxembourg this year, the Organisation for Economic Co-operation and Development says in a report published today.

The extra impact of the latest round of oil price increases, which came after the report was drawn up, cannot yet be measured, the OECD says. But they are expected to worsen the inflation and growth picture and upset the original foreign trade forecast.

Before the oil setback, the Belgium-Luxembourg Economic Union's current account deficit was expected to show little change from the 1979 level of about $2.6bn. Belgium's gross national product was expected to grow at *a slower rate of 2.5 per cent,* compared with 3 per cent last year.

Belgium's slower growth rate, expected to be evident in the volume of both private and public consumption, *would probably mean higher* unemployment. The jobless rate might rise to 7.7 per cent of the labour force. The effectiveness of the Government's employment policy was wearing off and any *strengthening of the measures* brought in since 1977 would pose problems because of their budgetary cost.

The OECD warns the Belgian Government that wage indexation might be giving momentum to inflation and recommends adjustments to the system.

The report backs the authorities' policy of supporting the exchange rate of the Belgian franc, provided that restructuring efforts make Belgian products more competitive. It also warns that, while currency stability have helped to keep down prices and costs, recourse to higher interest rates have placed a "significant burden" on Belgian companies.

In Luxembourg, economic growth is expected to be hit, particularly by the expected West German slow-down. Lower growth in real wages and high household debts are likely to put a brake on private consumption. Investment is also expected ot slow down. Exports are likely to expand only very modestly and imports to confinue their rapid rise.

Gross domestic product, after a brisk increase estimated at 4.5 per cent in 1979, might grow at around 1.25 per cent, according to the OECD's pre-Caracas forecast.

Spanish minister quits

A decision by the Spanish Government to slow the process for granting autonomy to Andalusia last night provoked the resignation of Sr. Manuel Clavero, the Minister of Culture, writes Robert Graham in Madrid. Sr. Clavero is president of the ruling Union de Centro Democratico for Andalusia.

Moscow denies threat to Yugoslavia

BY OUR FOREIGN STAFF

THE SOVIET UNION, whose troops are deeply involved in the invasion and occupation of Afghanistan, yesterday attacked the Western Press for "truly fantastic conductions" trying to ascribe to the Soviet Union some anti-Yugoslav intentions.

The official news agency, Tass, described these claims as "crude, provocative and false," adding that "relations between the Soviet and Yugoslav peoples are marked by profound friendliness, and by constant striving for extensive multi-faceted co-operation."

While denying that Yugoslavia faced any form of Soviet threat, Tass admitted that the two countries had "differences of approach to some world issues."

The most recent of these is over the invasion of Afghanistan where Yugoslavia, as one of the leaders of the non-aligned movement, voted against the Soviet Union in the UN resolution which condemned the invasion and called for the withdrawal of all foreign troops.

The latest Soviet commentary comes amid signs that the West is seriously considering the most appropriate form of guarantee of Yugoslav independence and when EEC countries are preparing more generous terms for a five-year special agreement to replace that which expired two years ago.

Tass said Western speculation about Soviet designs on Yugoslavia "gives away covert, but none the less obvious, intentions of Nato to interfere in Yugoslavia's affairs."

In Yugoslavia itself the team of eight doctors treating 87-year-old President Tito for a circulatory infection *reported that* he spent the day "without substantial difficulties" and that his general state of health had improved. The 259,000-strong armed forces remain in a preliminary state of alert and members of the 1.7m strong League of Communists has been holding a nationwide series of local and cell meetings.

In Vienna, Chancellor Bruno Kreisky has played down Austrian Press reports speculating on the possibility of a Soviet invasion of neighbouring Yugoslavia through Austria. The Press has revived reports of an alleged Soviet master plan code-named "Polarka" revealed by a Czechoslovak general who defected in 1968. This was alleged to contain details of a Soviet contingency plan to invade Yugoslavia through Austrian territory. The report was fiercely condemned as an "imperialist provocation" by both Moscow and Prague at the time.

Chancellor Kreisky said there was no danger to Austrian independence and added that the Yugoslav army and other internal forces were strong enough to overcome any period of weakness which might occur after President Tito's departure from the scene.

Meanwhile in Bucharest, Mr. Teodor Marinescu, the leader of the Romanian delegation to the UN, issued Romania's first public condemnation of the Soviet invasion of Afghanistan. He called it "a serious danger to peace" and demanded "firm guarantees that the Afghan people will be able to decide their fate without outside interference after the withdrawal of troops."

Soviet ships queue at Hamburg to rush through U.S. grain

BY LESLIE COLITT IN BERLIN

SOME 20 Soviet ships are waiting in Hamburg harbour to load American grain from giant bulk carriers and carry it to Soviet Baltic seaports as well as to Murmansk and Archangelsk. This is part of the 8m tonnes of grain the Soviet *Union has* regularly ordered from the U.S. and which has not been embargoed by President Carter.

Since early January four Soviet-chartered bulk carriers with 200,000 tonnes of American grain *have arrived here* from U.S. Gulf Coast ports, causing a build up last weekend of the smaller Russian ships. Speed appears vital to the Russians who are prepared to pay overtime rates to get the grain into *their coasters as quickly as* possible.

The number of waiting Soviet cargo ships has been reduced shomewhat since the weekend when 23 of them queued up to take on animal fodder from 11 *floating grain elevators.*

Normally Hamburg does not handle grain bound for the Soviet Union but since November is has transhipped more than 0.5m tonnes. Antwerp isthe port regularly used by the Soviets for grain transhipment but it is working at capacity to fill grain into the Soviet-bound cargo ships and Moscow has been re-routing *more and more of the bulk* carriers to Hamburg.

"The Russians want to get their grain as quickly as possible, that much is certain," says one Hamburg harbour official.

Last year Hamburg handled 9½m tonnes of grain for transhipment to East Germany, Czechoslovakia and Scandinavia and the new Russian business is being welcomed.

Herr Helmut Eggers, managing director of Transnautica, the Hamburg agent for the Soviet *shipping agency Sovfracht,* says that for years Hamburg has been trying to lure some of the Soviet-bound grain away from Antwerp but only now has it been successful.

When the Russians made their enormous purchases of grain last year from America, says Herr Eggers, they realised that one West European port could not handle the vast amount so they decided to distribute it and approached his company.

A leading Hamburg grain dealer discounted reports in the West German press that the appearance of the Soviet ships in Hamburg has anything to do with President Carter's ban on additional grain shipments to the Soviet Union. He says the bulk carriers that have been arriving in Hamburg left the Gulf Coast before President Carter's embargo announcement on January 4. They contain part of the original amount contracted for by the Soviets on an annual basis.

One Hamburg harbour official, however, suggests that "The Russians may have got nervous and decided to pick up their grain quickly before something happened to it. It may be costing them more to tranship the grain here in Hamburg than it does in Antwerp," he notes, "but cost at such a time would not be the main factor."

W. German petrol prices rise

By Kevin Done in Hamburg

TWO MAJOR international oil companies operating in West Germnay—Shell and Esso—yesterday started a new round of petrol price increases. Deutsche BP is expected to follow suit on Monday.

Average prices are likely to rise by about 7 per cent for four-star petrol. Deutsche Shell yesterday added 6-7 pfennigs a litre to the price of super and regular petrol grades and 5 pfennigs a litre to the price of diesel. Esso added 4 pfennigs a litre to the price of all petrol and diesel products.

The increases still leave West Germany among the cheaper motoring countries in western Europe. A litre of super grade (four star) is likely to cost about DM1.14 (£1.32 a gallon) at the pump, with slightly lower prices at large, self-service stations.

The price of heating oil has also risen since the beginning of the year by about 3.5 pfennigs a litre, bringing the wholesale price up to some 50 pfennigs a litre.

Dr. Helmuth Buddenberg, chief executive of Deutsche BP, the leading oil company in West Germany, with some 19 per cent of the oil market, indicated yesterday that BP intended to raise its petrol prices by 7-8 pfennigs a litre. A decision will be announced on Monday.

Dr. Buddenberg said that Deutsche BP would weight oil product price increases towards petrol to avoid sharp price increases for heating oil, which hit the less well-off.

The Deutsche BP increases in particular, will reflect the substanfial amount of high-priced crude oil it is having to buy on spot market to meet its supply commitments. It will announce its 1979 results tomorrow. It is thought that its oil-marketing business was again operating at a loss in the final months of the year because of the sudden increase in crude oil prices in November and December.

Deutsche Shell said yesterday that its latest increases only reflected rises in costs known to date.

Iceland coalition bid by anti-NATO man

BY JON MAGNUSSON IN REYKJAVIK

MR. SVAVAR GESTSSON, a 36-year-old Radical Socialist and opponent of the North Atlantic Treaty Organisation from the Communist-backed People's Alliance party in Iceland, has been asked to try and form a new government. He was Minister of Commerce in the left-wing government which collapsed late last year over economic bickering after only 13 months in office.

Mr. Gestsson said, following the request from President Kristjan Eldjarn, that he will hold talks with the leaders of Iceland's three other political parties. He was willing to try to solve the country's economic and inflationary problems.

President Eldjarn first asked Mr. Ludvik Josefsson, the 70-year-old leader of the People's Alliance, to try and form a majority after Mr. Geir Hallgrimsson, leader of the right-of-centre Independence party, failed to put a government together last Monday.

Mr. Josefsson, who was Fisheries Minister during the "cod war" with Britain, told the President, however, that he would prefer that Mr. Gestsson attempt to form a Cabinet.

This gesture indicated that Mr. Gestsson would take over leadership of the anti-NATO People's Alliance during the party congress next autumn.

Mr. Gestsson, who has been a journalist and editor of the party's daily newspaper, has for years been one of the more vocal opponents of Iceland's membership in NATO and he is known for his anti-American feelings.

Political observers here said Mr. Gestsson is unlikely to be able to form an administration. But his talks with other political leaders might point to new possible formations in government.

Iceland has had a minority Social Democratic caretaker government since the general election in December.

Friction in Dutch government

BY Charles Batchelor in Amsterdam

THE DUTCH Government has been sharply criticised for its handling of the question of the modernisation of NATO's nuclear weapons by the chairmen of the Christian Democratic member parties. By turning last month's Parliamentary debate into a question of confidence in the Government the Cabinet avoided a discussion of the fundamental issues, they said.

The Christian Democratic Party is the senior partner in the two-party coalition Government but it is composed of three smaller parties which entered into a partial merger three years ago. These parties are due to integrate fully in October but the internal differences disclosed by the nuclear modernisation issue have raised doubts among some MPs as to whether full integration is advisable.

The chairmen of the Catholic People's Party, the Christian Historical Union, the Anti-Revolutionary Party and of the overall Christian Democratic grouping sent a joint letter to the Cabinet expressing their disquiet that the nuclear decision had been turned into a confidence vote.

As a result of the position taken by the Government in its discussion with its NATO allies in December the three anti-revolutionary party members who sit on the joint commission which decides Christian Democratic policy withdrew last month.

The Anti-Revolutionary Party has taken a more radical stance than the others since the formation of the Christian Democrats. Mr. Hans de Boer, its chairman, has even suggested that the planned merger could be delayed while differences are cleared up.

The Cabinet came under considerable pressure from Parliament last year to oppose NATO's plans to produce new nuclear missiles for deployment in Europe. *It finally tacitly* accepted a NATO decision to produce the weapons, but delayed a decision on deployment for two years while talks are held with the Soviet Union on disarmament.

*This allowed Christian Demo*cratic MPs to interpret the Government stand as opposition to the NATO plan while the right-wing Liberal Party, the junior Government partner, said it amounted to support.

25,000 more join ranks of France's unemployed

BY TERRY DODSWORTH IN PARIS

FRANCE'S UNEMPLOYMENT rate, having shown signs of a decline last autumn, rose substantially in December to bring the total out of work to 1,370,000.

This seasonally adjusted figure *was an increase of 25,000 or 1.8* per cent on the previous month, and 10.6 per cent on the comparable period of last year. The uncorrected figures, however, show a slight fall in unemployment, down from 1,472.70 in November to 1,468,900 last month.

Among the main reasons given for the unemployment increase was the declining impact of the Government sponsored youth employment scheme, which was designed to find jobs for school-leavers.

The unemployment statistics come against a background of increasing unrest about pay and conditions in the public services. This has led to the current strike on the railways and industrial action by postal workers is likely to follow.

Irish court blocks pickets

BY OUR DUBLIN CORRESPONDENT

A HIGH COURT injunction to prevent the picketing of Irish railway stations has deferred, for the time being at least, the threat of serious disruption of rail services.

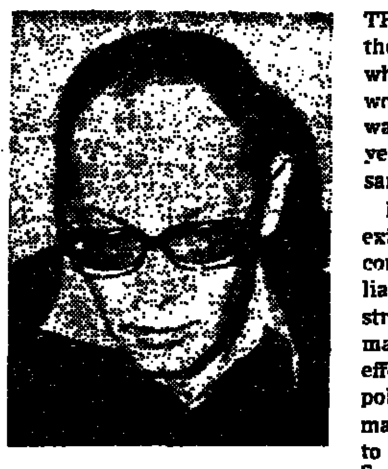
The picketing had been organised by the National Busmen's Union in an attempt to win the right to negotiate wage agreements for 30-odd train drivers they have recruited.

The dispute has significance beyond its threat to the rail services because it illustrates some of the classic problems of Irish industrial relations.

There are already two unions representing train drivers. The NBU, which would be the third, is not a member of the Irish Congress of Trade Unions and therefore is not bound by national pay pacts.

Consensus eludes Euro-MPs

BY GILES MERRITT IN STRASBOURG



Dr. Ginsberg: calling for boycott.

THE WEST has long since sold the Soviet Union the rope with which Lenin said the capitalists would one day be hanged, warned Dr. Alexander Ginsberg yesterday, urging economic sanctions against the USSR.

Moscow's leading dissident-in-exile was speaking at a news conference at the European Parliament in Strasbourg. And his strong call for action was in marked contrast to the ineffectual hand-wringing and political jobbery that yesterday marked the assembly's attempts to take a firm stand against the Soviet invasion of Afghanistan.

Nine motions had been drawn up by various political groupings in Parliament. And in the event, the whole matter had to be pushed back 24 hours to be voted on today.

Although many MPs were indignant that EEC Ministers meeting in Brussels had failed on Tuesday to hammer out a common sanctions programme, the problems of finding a formula to express parliamentary censure proved just as formidable.

In the end, MPs were unable to agree a compromise wording likely to command an impressive enough majority in the 410-seat assembly. "After all," commented one MP, "we need a big vote to show we mean business."

From an industry in decline comes Europe's most modern plant

Montefibre picks up the strands

BY RUPERT CORNWELL IN ACERRA

ACERRA IS *a small town just* inland from Naples. It bears all the hallmarks of the Italian south, the poverty and decay born of decades of neglect. Yet Acerra is also a symbol of the hopes of the crisis-torn *national* synthetic fibres industry, as it seeks to find a way out of the closed circle of massive losses, high debts and structural failings.

On the outskirts of the town is the brand-new polyester plant of Montefibre, Italy's largest synthetic fibres group. When it is fully operational, it will be the most modern such unit in Europe, boasting productivity higher than almost anything in the EEC or the U.S.

Acerra will account alone for half the business of Montefibre, and have a polyester yarn output little short of the requirements of the entire Italian domestic market each year.

On its success depends in large measure plans to restore Montefibre to health and financial equilibrium by 1982. These in turn heavily condition the future of Montedison, the parent company of Montefibre, which has recorded losses of L500bn (£270m). The L560bn (£305m) which Montedison has had to pour into its subsidiary between 1973 and 1979 have been one of the main single reasons for the continued troubles at the country's biggest chemical group.

The roots of the difficulties of the Italian industry lie partly in the chronic overcapacity which has developed in Europe after the headlong expansion of the 1960s, when oil, the raw material for synthetic fibres, was both abundant and cheap. But purely national reasons have made those difficulties far worse.

Montefibre itself was formed in 1972 as an unwieldy whole to link the fragments of Montedison's fibre integests, many of them saddled with obsolescent plants.

The costly replacement required coincided with the onset of the energy crisis. But the fibres sector was also dragged into the so-called Italian "chemicals war" of the late 1960s and early 1970s—which saw Montedison, the state energy agency ENI, and Societa Italian Resine (SIR), as weapons in the political and industrial struggle between the tycoons of the day. As the dust of battle *lifts, it is plain that everyone* has lost.

After Montedison's refusal to jeopardise its own future any further by pouring money into bottomless fibres pit, Montefibre was placed in July under court-controlled administration. The wheels were then set in motion to create a bank consortium to underpin a L200bn capital restructuring operation.

But it is a laborious process, as the attempts to refloat the bankrupt SIR have demonstrated. The path is full of potential obstacles: creditor banks, anxious to avoid throwing good money after bad, and possible new political interference of the type which has proved so disastrous in the past.

The story is the same at SNIA Viscosa, second of the "big three" Italian fibre groups and in which Montedison has the largest single shareholding. SNIA lost L79bn (£42m) in 1978. And if its immediate prospects look brighter than those of either Montefibre or the third major concern in the sector, Eni's subsidiary ANIC, SNIA too wants a bank consortium *as part of its own restructuration scheme.*

ANIC and Montefibre are joint partners in the other calamity of Italian fibres, the polyester and acrilic complex at Ottana in the wilds of central Sardinia. Ottana is the supreme monument to the follies of the "*chemical* war." The joint ANIC-Montefibre plant there loses L60bn annually. Alongside it, an empty cathedral in the desert, stands a never-completed similar venture of *SIR.*

Ottana, indeed, is one of the largest obstacles in the way of the canvassed plan to rationalise fibres in Italy. Montefibre understandably wants to get out, and the Government would like ANIC to take on full responsibility. But ENI is refusing.

This kind of link between protagonists makes finding any mutually agreeable solution much harder. But top industry executives say the companies have been chastened enough by past extravagances to make sure that there is enough co-ordination to avoid Ottana-type duplications in the future. But whether the intention of Sig. Siro Lombardini, the state shareholdings Minister, for the three companies to concentrate on different fibres is ever realised is another matter.

In the meantime, the groups are proceeding with their own programmes which will inevitably entail a sizeable cut in labour, as over-capacity (30 per cent or more in Italy) is reduced and productivity increased. Montefibre has cut its headquarters staff to 600 from 1,500 and, in the teeth of vigorous union opposition, is tackling overmanning at plant level.

In the first nine months of 1979, it reduced its 9,845 workforce by 636 men. Many thousands more have to go. *But it is not easy.* In the south, where Italy's unemployment problem is worst, the obsolete Casorio *factory* could only be shut on the agreement that Acerra nearby would be constructed.

But Acerra also illustrates the administrative problems in the way of overhauling the sector. A final L8bn (£4.5m) tranche of the total L60bn (£35m) investment has been held up with the wrangling over Montefibre's future.

Work on the integrated unit to produce DMT, the polyester base material, has had to be stopped just short of completion. The result is that 25,000 tons a year have to be expensively brought in by road from West Germany, while Montefibre loses money maintaining sophisticated equipment which was prevented from going on stream in 1977.

No wonder the old suspicions die hard. "The political side is our real handicap," said an *Acerra manager.* "The trouble is we're just too competitive and our rivals don't like it." Enough political spokes have been put in industrial wheels in Italy before to make the complaint sound plausible.

But there is another threat too: the flood of cheap fibre imports from the U.S. and elsewhere which have played havoc with Italy's balance of trade in the sector, despite the chronic over-capacity at home. In the first half of 1979, Italy's trade in chemicals plunged into the red.

For fibres alone, the deficit of imports over exports was 70,000 tons against a surplus of 110,000 tons as recently as 1977. Before the EEC took action last month, no one complained of dumping more than the Italian industry, at a particularly delicate point in its overhaul. The main problem has been acrylic fibres from the U.S., particularly important in view of the thriving Italian knitwear industry.

But the "dumping" issue overshadows the real one, the very low productivity of the Italian groups. Annual output at home has been about 13-14 tonnes per man, against 25 tonnes in West Germany, and over 35 tonnes in the U.S. Acerra, scheduled to have a guaranteed productivity of 56 tonnes a man, of very high quality fibre, will help to right the imbalance.

The current efforts to put the fibre house in order and, by implication the entire chemical industry, in some respects have to succeed. For failure almost certainly would leave no alternative between a collapse and the establishment of a special state chemical concern, a prospect arousing horror on all sides.

Agreement on Montefibres reconstruction, Page 29

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Early mortgage rate fall unlikely says Nationwide

BY ANDREW TAYLOR

MR. LEONARD WILLIAMS, chief general manager of Nationwide Building Society, yesterday repeated his warning that an immediate fall in mortgage rates was unlikely, even if other interest rates begin to decline.

He said competing interest rates would need to fall by around 3 per cent if societies were to attract the £400m to £500m net receipts a month needed to meet present demand.

Mr. Williams, speaking at Nationwide's annual lunch said the societies' interest rates were likely to remain at their present level for some time. The 15 per cent mortgage rate did not appear to have reduced demand for housing finance.

Last year societies lent a record £8.86bn—£122m more than in 1978—but the impact of sharply rising house prices has been such that this financed only 704,000 loans, 11 per cent fewer than in 1978.

The Building Societies Association says it will need to lend around £11.3bn in the present year if it is to match the 802,000 loans made in 1978. This would require net receipts of £500m a month.

Mr. Williams said that building societies were still not attracting their normal share of investments because of unprecedented levels of competing interest rates.

In December net receipts into societies totalled £161m—the third lowest total for 18 months —despite the record interest rates offered to society savers since December 1.

However, Mr. Williams said there was now some indication that the growth in money supply was slowing and he hoped this could soon lead to a reduction in the general level of interest rates.

He said that in spite of the difficult conditons last year Nationwide had still managed to increase its mortgage lending by around 15 per cent, to £866m. This had financed 67,000 loans—not far below the 70,000 loans made in 1978.

The society's gross receipts of £1.83bn and net receipts of £603m were both records. Nationwide's assets in 1979 increased by £632m to £3.93bn, a rise of 19 per cent.

Sealink cuts fares in cross-channel price war

BY WILLIAM HALL, SHIPPING CORRESPONDENT

SEALINK, the British Rail ferry operator, is having to reprint 1½m copies of its 1980 fare guide and is complaining to the Advertising Standards Authority about the misleading advertising of its main cross-channel rival — European Ferries.

This is the latest development in the escalating price war developing on the busy cross-channel ferry routes. Early last month Sealink, the largest European ferry operator, announced its 1980 tariff structure. Prices increased about 15 per cent.

But only a few weeks later European Ferries came out with its 1980 fares which were considerably lower for many of the peak season sailings. Subsequently, European Ferries has been spending a considerable amount of money on advertising their price advantage in the national press.

Last week Sealink cut many of its cross-channel prices and embarked on an advertising campaign called "How to win the price-war." It has cut many of its 1980 fares by around an eighth to roughly match those of European Ferries. Its 1980 ferry guide is, as a result, out of date.

Besides ordering a 1½m reprint, Sealink has also circularised 3,500 UK travel agents and advertised in the trade press all at an estimated cost of £10,000.

The company is also telling the Advertising Standard's Authority that European Ferries claim Sealink has only one new service in 1980. Sealink says it will have two.

The next stage in the cross-Channel battle is in a few weeks when European Ferries' new ship, Spirit of Free Enterprise, attempts to break the cross-Channel speed record.

On its first voyage this week the ship is understood to have sailed between Dover and Calais in less than an hour. This is half an hour less than the crossing time and quarter of an hour less than the scheduled 1980 time.

Meanwhile, P & O Ferries—the smallest operator on the short sea cross-Channel route—still denies there is a price war developing. Last month, Alan Pitt, the general manager, said that "all that is happening now is that our competitors are at last responding to some of the innovative approaches we have introduced over the last three years."

Home Office plans more day centres for offenders

BY JAMES McDONALD

THE HOME OFFICE intends to help establish more day centres and hostel places which can contain persistent petty offenders in the community rather than in prison, Mr. Secretary, has told the National Association for the Care and Resettlement of Offenders (NACRO).

"So far as new resources are concerned, day centres seem to offer the most positive contribution towards helping this group of offenders," writes Mr. Whitelaw in a letter to Sir Arthur Peterson, who chaired a seminar on The Petty Persistent Offender organised by NACRO last June.

"We have been able to assist a number of voluntary bodies to set up both the very basic type of drop-in centre and the more sophisticated multi-purpose day centre, and it is our aim to enable more of each type of centre to be established."

The Home Secretary also says that over the next 12 months, about 300 further voluntary hostel places should be made available to ex-offenders with Home Office grant aid, making a total of 2,600 places. In addition, there are now 70 probation hostels with 360 places, and the Home Office is considering whether probation committees might be encouraged to provide more specialist hostels.

"We are very much engaged in the encouragement of the development and co-ordination of resources and, recognising that the need has by no means been met, we shall continue our efforts; but I need hardly say to you that progress depends to some extent on the availability of finance which is particularly difficult at present."

A NACRO report on last year's seminar is published today. In a foreword, Sir Arthur observes that persistent petty offenders are not a homogeneous group requiring a single approach.

There were the older homeless offenders who had extensive welfare needs and had evolved an independent, rootless lifestyle over many years.

"Younger people, perhaps less disadvantaged than the older group but whose frequent offences are nevertheless consistently minor, including some who serve Borstal terms, also come into the category."

The Petty Persistent Offender, NACRO, 169 Clapham Road, London, S.W.9. £1.

Stress at work 'major cause of mental illness'

BY DR. DAVID CARRICK

PSYCHIATRIC ILLNESSES are one of the greatest health problems in Britain, says a survey and study by Market and Opinion Research International and the Imperial College of Science and Technology, published today*

Three per cent of the population have suffered a mental breakdown, according to evidence from interviews with 1,968 people. Drug treatment for mental disorders was taken by 28 per cent of the population and two women for every man had been treated.

Of the 36 per cent of the working people who had been off work with a doctor's certificate during 1978, one in eight blamed minor mental disorders.

A study of mental illness by the Department of Management Science of Imperial College of Science and Technology, London, found that doctors treat about 8m patients for mental disorders in Britain annually, and it believes that Government figures showing 8 per cent loss of working days for psychiatric disorders is far below the real figure.

A majority of the sample, according to the report, "think stress at work is a major cause of mental illness—and that employers bear some responsibility for the mental health of their workers."

**Public Attitudes to Mental Illness, Market and Opinion Research International, 29, Queen Anne's Gate, London SW1H 9DD.*

Scots bank to open in Birmingham

By Ray Perman, Scottish Correspondent

THE Bank of Scotland is to open a branch in Birmingham, reversing the trend of the last few years which has seen the London Big Four clearers moving north of the border.

All three Scottish clearers, the Bank, Royal Bank, and Clydesdale, have had branches in London for several years. These cater largely for expatriate Scots and the London offices of industrial customers. This is the first time any of them has opened in an area with no strong Scottish connection.

It reflects the desire by the Scottish banks to broaden their activities away from the Scottish economy, which has been performing poorly. All have opened overseas.

Mr. Bruce Pattullo, treasurer and general manager of the Bank of Scotland, said yesterday that the Birmingham branch would concentrate on corporate business.

"The bank believes that despite economic restraint and existing competition, there is sufficient industrial and commercial activity to justify opening a branch in Birmingham.

"Short lines of communication, combined with a flexible approach and speedy decisions can give the smaller clearing bank a distinct competitive advantage."

Bullion boom sparks rush to sell heirlooms

BY DAVID MARSH

The rush to sell gold and silver in Hatton Garden as bullion prices rocket.

SINCE THE start of the year owners of unwanted gold and silver, seeking to cash in on the boom in bullion prices, have been besieging London's precious metal dealers with tons of candlesticks, cutlery and cigarette cases.

People are queueing to sell everything from wedding rings to antique silver plate in Hatton Garden, the centre of London's jewellery and precious metals trade.

The rush to sell is part of a world-wide phenomenon which dealers call "dishoarding"—the desire to turn in gold and silver for cash when prices rocket.

"The stuff is starting to come out of the woodwork," said Mr. Jack Spall, deputy managing director at bullion dealers Sharps Pixley. But the amount of metal coming on to the market this way is still fairly insignificant compared with the surge in speculative and investment demand that has led to a fivefold rise in the silver price and almost trebled that of gold in the past six months.

Outside bullion dealers Johnson Matthey in Hatton Garden yesterday morning, a queue of about 20 people had their treasures in an assortment of plastic bags, canvass holdalls and shopping trolleys.

The conversation ranged from the outlook for the bullion market in the event of World War Three to the poor prices offered by some dealers.

There was concern by Johnson Matthey about the security risks—"We haven't had any muggings yet," said one official on the door darkly. But several sellers were willing to show off all the goods they had to offer.

The prize for the most exotic objects went to the bearded young man holding a bag of 22 carat Chinese gold—brought in on behalf of a Chinese friend in Wales whose wife had left him with nothing except these dragon-embossed trinkets presented as part of the wedding dowry.

"You'd better wait until the 10.30 fixing," said a knowledgeable bystander, "the price will be better." (It was—it shot up to $765.)

Two young antique dealers at the front of the queue said the explosion in silver prices had made it profitable to buy up silver scrap and sell it to bullion dealers at a higher price.

Indeed, stories have been circulating in the metal trade of dealers touring sales and auctions in the provinces—as well as branches of cut price jewellers—in order to buy scrap. Big profits can be made by bringing the metal to London for melting.

Johnson Matthey was expected yesterday to be offering about £12 per ounce for silver scrap. This was admittedly a big discount on the spot bullion price of nearer £20—which the company justifies on the grounds of the volatile market, as well as refining and handling charges. But this is still good money compared with last summer when the scrap price was a mere £3.

One antique dealer in the queue, brandishing the bottom half of a silver salt cellar, explained that it would cost £30 to repair and then might sell in his shop for £60, whereas he could pocket £30 for it.

Another lady dealer, weighed down by a bag of Victorian and Georgian silverware, was computing how much her lot would be worth — well over £1,000. She had some nice Georgian spoons — "But who needs spoons? I'd rather have the money."

An elderly gentleman, complaining that Mrs. Thatcher's austerity policies forced people like him into this, was disposing of a gold watch which had been in a box for 30 years.

Other objects heading for the furnace were gold rings brought in by one middle-aged woman — "of sentimental value — but you can't afford to be sentimental, can you" — and bracelets being sold by a husband on behalf of his wife.

Johnson Matthey says that all objects bought over the counter are destroyed immediately. A 1748 silver salver and some modern silver in top showroom condition recently went the same way as all the rest.

But some people in the queue doubted that even hard-hearted bullion merchants could be so undiscriminating if a really valuable piece came in over the counter. "It would be wicked to melt it down, wouldn't it?" said one lady.

Paint plant to be modernised

A multi-milion pound scheme to make Crown Paints' factory in Lancashire the most modern in Europe, has been announced.

£3m pounds is to be spent on the company's oil production plant at Darwen, to increase its present annual output by 28 per cent.

Early mortgage rate fall unlikely says Nationwide

BY ANDREW TAYLOR

MR. LEONARD WILLIAMS, chief general manager of Nationwide Building Society, yesterday repeated his warning that an immediate fall in mortgage rates was unlikely, even if other interest rates begin to decline.

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Other objects heading for the furnace were gold rings brought in by one middle-aged woman — "of sentimental value — but you can't afford to be sentimental, can you" — and bracelets being sold by a husband on behalf of his wife.

Johnson Matthey says that all objects bought over the counter are destroyed immediately. A 1748 silver salver and some modern silver in top showroom condition recently went the same way as all the rest.

But some people in the queue doubted that even hard-hearted bullion merchants could be so undiscriminating if a really valuable piece came in over the counter. "It would be wicked to melt it down, wouldn't it?" said one lady.

Paint plant to be modernised

A multi-milion pound scheme to make Crown Paints' factory in Lancashire the most modern in Europe, has been announced.

£3m pounds is to be spent on the company's oil production plant at Darwen, to increase its present annual output by 28 per cent.

Sealink cuts fares in cross-channel price war

BY WILLIAM HALL, SHIPPING CORRESPONDENT

SEALINK, the British Rail ferry operator, is having to reprint 1½m copies of its 1980 fare guide and is complaining to the Advertising Standards Authority about the misleading advertising of its main cross-channel rival — European Ferries.

This is the latest development in the escalating price war developing on the busy cross-channel ferry routes. Early last month Sealink, the largest European ferry operator, announced its 1980 tariff structure. Prices increased about 15 per cent.

But only a few weeks later European Ferries came out with its 1980 fares which were considerably lower for many of the peak season sailings. Subsequently, European Ferries has been spending a considerable amount of money on advertising their price advantage in the national press.

Last week Sealink cut many of its cross-channel prices and embarked on an advertising campaign called "How to win the price-war." It has cut many of its 1980 fares by around an eighth to roughly match those of European Ferries. Its 1980 ferry guide is, as a result, out of date.

Besides ordering a 1½m reprint, Sealink has also circularised 3,500 UK travel agents and advertised in the trade press all at an estimated cost of £10,000.

The company is also telling the Advertising Standard's Authority that European Ferries claim Sealink has only one new service in 1980. Sealink says it will have two.

The next stage in the cross-Channel battle is in a few weeks when European Ferries' new ship, Spirit of Free Enterprise, attempts to break the cross-Channel speed record.

On its first voyage this week the ship is understood to have sailed between Dover and Calais in less than an hour. This is half an hour less than the crossing time and quarter of an hour less than the scheduled 1980 time.

Meanwhile, P & O Ferries—the smallest operator on the short sea cross-Channel route—still denies there is a price war developing. Last month, Alan Pitt, the general manager, said that "all that is happening now is that our competitors are at last responding to some of the innovative approaches we have introduced over the last three years."

Home Office plans more day centres for offenders

BY JAMES McDONALD

THE HOME OFFICE intends to help establish more day centres and hostel places which can contain persistent petty offenders in the community rather than in prison, Mr. Secretary, has told the National Association for the Care and Resettlement of Offenders (NACRO).

"So far as new resources are concerned, day centres seem to offer the most positive contribution towards helping this group of offenders," writes Mr. Whitelaw in a letter to Sir Arthur Peterson, who chaired a seminar on The Petty Persistent Offender organised by NACRO last June.

"We have been able to assist a number of voluntary bodies to set up both the very basic type of drop-in centre and the more sophisticated multi-purpose day centre, and it is our aim to enable more of each type of centre to be established."

The Home Secretary also says that over the next 12 months, about 300 further voluntary hostel places should be made available to ex-offenders with Home Office grant aid, making a total of 2,600 places. In addition, there are now 70 probation hostels with 360 places, and the Home Office is considering whether probation committees might be encouraged to provide more specialist hostels.

"We are very much engaged in the encouragement of the development and co-ordination of resources and, recognising that the need has by no means been met, we shall continue our efforts; but I need hardly say to you that progress depends to some extent on the availability of finance which is particularly difficult at present."

A NACRO report on last year's seminar is published today. In a foreword, Sir Arthur observes that persistent petty offenders are not a homogeneous group requiring a single approach.

There were the older homeless offenders who had extensive welfare needs and had evolved an independent, rootless lifestyle over many years.

"Younger people, perhaps less disadvantaged than the older group but whose frequent offences are nevertheless consistently minor, including some who serve Borstal terms, also come into the category."

The Petty Persistent Offender. NACRO, 169 Clapham Road, London, S.W.9. £1.

Stress at work 'major cause of mental illness'

BY DR. DAVID CARRICK

PSYCHIATRIC ILLNESSES are one of the greatest health problems in Britain, says a survey and study by Market and Opinion Research International and the Imperial College of Science and Technology, published today*

Three per cent of the population have suffered a mental breakdown, according to evidence from interviews with 1,968 people. Drug treatment for mental disorders was taken by 28 per cent of the population and two women for every man had been treated.

Of the 36 per cent of the working people who had been off work with a doctor's certificate during 1978, one in eight blamed minor mental disorders.

A study of mental illness by the Department of Management Science of Imperial College of Science and Technology, London, found that doctors treat about 8m patients for mental disorders in Britain annually, and it believes that Government figures showing 8 per cent loss of working days for psychiatric disorders is far below the real figure.

A majority of the sample, according to the report, "think stress at work is a major cause of mental illness—and that employers bear some responsibility for the mental health of their workers."

* *Public Attitudes to Mental Illness, Market and Opinion Research International, 29, Queen Anne's Gate, London SW1H 9DD.*

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Mullard lay-offs lead to review of grant

BY JOHN LLOYD

THE GOVERNMENT is to review its grant of £4.5m to Mullard, the television tube manufacturing subsidiary of Philips, after the company's announcement earlier this week that it will lay off 850 workers.

The grant was made 18 months ago under Section 7 of the Industry Act 1972. That section is concerned with the creation of retention of employment in assisted areas.

The grant formed part of a £24m programme announced by Mullard in July 1978, which was intended to boost the company's capacity to make 20 inch and 22 inch colour tubes, for which demand has been growing in Western Europe.

About £14m of the investment has been spent, including more than £2m of the Government grant. The main projects on which the money has been spent are the development of a 20 inch 90 degree tube line at the Simonstone plant, and a 22 inch 110 degree tube line at the Durham plant.

Mullard said earlier this week the Simonstone 20 inch facility will be transferred to Durham, leaving in Simonstone to manufacture tube glassware and other related components. Most of the redundancies—about 650—are planned for Simonstone, in Lancashire.

Loss of jobs

Department of Industry officials recognise the need to increase productivity at Mullard's now the only television tube maker in the UK—by increased use of automatic machinery. But is is felt that money granted under Section 7 should not be used in projects which lead to a loss of jobs.

Mr. Alan Williams, the Industry Minister in the previous Government, told the House of Commons when announcing the grant that a main aim of the investment was to increase the UK share of the 22 inch tube market to 75 per cent by 1980, "and to ensure this object is achieved by systematic monitoring."

The Department of Industry said last night that it continued to monitor the use of 22 inch tubes. "The use by UK setmakers of UK-sourced 22 inch tubes has not yet reached 75 per cent, but it is growing," a spokesman said.

Mullard said that about half the colour tubes used in UK-made sets were made by Mullard. Of that proportion, Mullard makes about 80 per cent in the UK, and imports the remaining 20 per cent from other Philips subsidiaries in Europe. It exports about £10m worth of tubes a year.

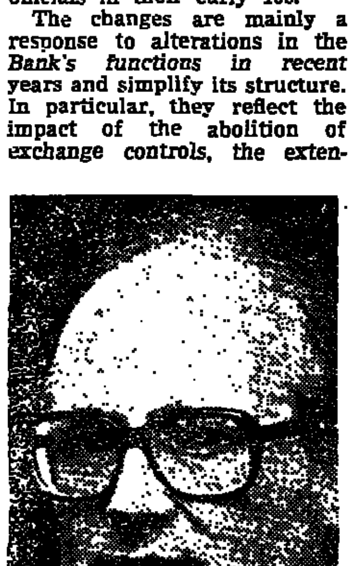
News analysis, Page 4

Bank shuffles top staff to simplify structure

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

MAJOR CHANGES in the senior management structure and organisation of the Bank of England are being introduced from March 1 and are being combined with promotions for some high-flying officials in their early 40s.

The changes are mainly a response to alterations in the *Bank's functions in recent* years and simplify its structure. In particular, they reflect the impact of the abolition of exchange controls, the extension of the Bank's supervisory role in banking and other parts of the City, and the increasing emphasis placed on monetary policy.



Anthony Loehnis has been brought in from Schroder Wagg as the Bank's first Assistant Director.

The reorganisation is intended to integrate the six executive directors more closely into the structure of the Bank. At present they float above the management structure. In future there will be a more direct line of policy and management.

The result is that the Bank's operations have been completely reshuffled. Instead of having a chief cashier as, in effect, managing director of market and banking work, the day-to-day operations will be integrated more with the policy and advisory side. Some of the banking and routine and administrative work, including the Bank's branches, is being split off.

There will be three broad areas—a new financial structure and supervision side covering banks, securities and commodities markets under an executive director; an operations and services side; and a policy and markets side in which the divisions concerned with domestic and external monetary policy will be grouped together more closely. This will be grouped economic research and market operations.

The reorganisation will create *the posts of associate director* and assistant director. Associate directors, although not members of the Court, or board, will fill jobs equivalent to those performed by executive directors whose number is limited to six including the Governor and his Deputy by the Bank Charter of 1946. Assistant directors will be just below this level.

The organisational changes have some similarities to the internal restructuring of the Treasury of 1975.

The changes in personnel represent the first major reshuffle since Mr. Gordon Richardson became Governor in mid-1973. They have been facilitated by a number of retirements, including that of Sir Jasper Hollom, the Deputy Governor for the past ten years. H will, however, become a non-executive director on the Court in place of Sir Maurice Laing who is no tseeking another term.

His place as Deputy Governor is being taken by Mr. Christopher "Kit" McMahon, at present executive director on the overseas side. Mr. McMahon, a 52-year-old Australian, was an Oxford economics don before joining the Bank in 1964. He became an executive director in 1970 and was closely involved in both the sterling crisis of 1976 and the European Monetary System negotiations of 1978.

Mr. McMahon, who will serve *for five years* , will be particularly involved with the co-ordination of policy and domestic and external monetary operations. He will be less concerned with internal Bank matters than his predecessor.

Responsibility for the Bank's overseas work will be taken over by Mr. Anthony Loehnis, who will be the first associate *director*. Mr. Loehnis has been brought in from Schroder Wagg, the merchant bankers, maintaining the Bank's links with the group from which the Governor also came. Mr. Loehnis, who is 43, served for two years in the late 1970s and has recently been working on corporate finance in Schroder's. There are some similarities with *the appointment of Sir Jeremy* Morse from outside to a similar post in the 1960s.

The other main change involves Mr. John Page, the Chief Cashier, who will become an executive director responsible for the financial structure and supervision.

The post of Chief Cashier as at present understood will disappear but the title is being retained for statutory reasons. This title will be taken by Mr. David Somerset, who will be *appointed Chief of the Banking* Department. This comprises the banking and note issuing activities of the former Cashiers' department and the Bank's branches. Mr. Somerset will, as part of his duties, sign bank notes in place of Mr. Page.

The reshuffle involves promotions and changes in status for some of the ablest of the Bank's senior officials—notably Mr. David Walker, aged 40, on the economics side, and Mr. Eddie George, aged 41, responsible for gilt-edged operations. Both will become assistant directors as will Mr. Douglas Dawkins (non-banking surveillance and development); Mr. Michael Balfour (overseas); Mr. John Sangster (foreign exchange) and Mr. Anthony Coleby (money markets). They will have the same status as heads of a department and chief advisers.

Mr. Christopher McMahon succeeds Sir Jasper Hollom as Deputy Governor.

Some outside critics of the Bank have argued that there are insufficient senior officials with direct experience of the markets—in particular, the gilt-edged and money markets. The changes do not deal with this point since only Mr. Loehnis and Mr. Weismuller, the chief adviser on banking supervision, have recent outside banking experience, and neither was in this area.

STEEL STRIKE

Stockholders condemn picketing incidents

BY MAURICE SAMUELSON

THE National Association of Steel Stockholders (NASS) yesterday "utterly condemned" picketing incidents outside some of its members' premises. It said these had included threats of physical violence and intimidation.

Mr. Richard Rawlins, NASS executive director, said members would continue to deliver material to the consuming industries.

His statement is the first full confirmation of the gravity with which the *association is viewing* the strike. At the beginning of this week it was still minimising the extent of picketing of stockholders' warehouses, describing it as scattered and spasmodic.

The latest statement is believed to follow complaints about the growing militancy of picketing, particularly in the north-east.

The association said yesterday there were a growing number of cases of threats of physical violence and intimidation. There had also been reports from some members who had been threatened that they would not be able to obtain steel from the British Steel Corporation when the strike ended unless they stopped all deliveries.

"Comments of this kind can only do irreparable damage to members of the Iron and Steel Trades Confederation and the BSC when the strike is over, because the steel stockholding industry is the biggest single customer group of the corporation."

The association said although Mr. Bill Sirs, secretary of the ISTC, had said his union did not intend to interfere with stockholders not involved in the dispute, this was happening.

Canned food unaffected

BY OUR CONSUMER AFFAIRS CORRESPONDENT

SECONDARY picketing of Metal Box's canning factory at Neath in South Wales continued yesterday in spite of attempts to ease the blockade.

But picketing at Metal Box's Leicester plant has been lifted. The general feeling in the food industry is that any disruption to canned food supplies is still several weeks away.

Metal Box's Neath plant provides 30 per cent of the components needed for can assembly, which is carried out at other UK factories.

But because the picketing is continuing at Neath, the company is taking the precaution today of giving all its hourly paid workers two weeks' notice withdrawing its guarantee of continuous employment.

This means that the company, after two weeks, will be legally able to lay off its workers if the picketing stops production.

Metal Box was also forced to close down yesterday one of its several production lines at the Neath plant because of the disruption to supplies caused by *the picketing*.

The production cycle for cans means stocks at canners, food processors and retailers are sufficiently high to last for eight to 10 weeks. For some cans the supply position may be higher, although popular canned foods such as petfoods would be the first to go if supplies of cans were halted by pickets.

There are no signs of retailers increasing orders for cans to stockpile for panic-buying. And there are no real signs of shoppers stockpiling cans.

Pressure on canned vegetables will increase, however, if the weather turns colder and it becomes impossible to harvest root vegetables.

No sign of early deal as stocks stay on the move

BY ROY HODSON

THE STEEL STRIKE, which began on January 2, has entered its third week with no sign of an early conclusion. It is clear that the union's hopes of a short, sharp dispute with a hurried settlement as industry ran out of steel are unlikely to be realised.

Although tempers are rising inevitably with time—steel traders and stockholders are reporting threats from strikers and pickets—steel is still moving about the country with comparative freedom. No effective blockage of consignments of imported steel has been organised.

The Confederation of British Industry's *regional* offices and the British Steel Corporation sales force, which is keeping closely in touch with customers are agreed that most industries have stocks in hand. Alternatively, they should be able to obtain sufficient new supplies to keep them in full production for another 5 to 6 weeks.

The industries using heavy quantities of steel in routine production, in particular the car industry, are estimated to have stocks for 3 to 4 weeks.

Mr. Gordon Sambrook, commercial director of British Steel, said yesterday that the heavy steel users would probably be able to keep going for longer than that. "Ingenuity will help them," he said. He *did not explain how ingenuity* was being applied behind the scenes by the steelmakers and the customers to maintain supplies.

British Steel appears to have dug itself into what it considers a strong position to face a long dispute after satisfying itself that customers can stay in production for weeks rather than days.

When the British Steel Board meets today, the agenda will not be dominated by the strike but by the necessity of making a final decision upon the future of the loss-making South Wales strip steel plants at Port Talbot and Llanwern.

In Wales the mood of the strikers has probably more to do with the prospect of a radical cutback in Welsh steelmaking than the immediate differences over pay.

Three options are under consideration for reducing sheet steel output. The most drastic is the complete closure of Llanwern or Port Talbot, with the loss of up to 15,000 jobs.

Opinion in Wales is that such a closure would be politically unacceptable.

The second option is to close iron and steelmaking at Llanwern and the steel rolling mills at Port Talbot.

Police yesterday hunted *thieves who stole* £17,500 worth of steel from a Sheffied factory. The owners, the Special Steel Company of Bacon Lane, offered a £1,500 reward for its recovery.

That would mean that bulk imports of ore and coal into Port Talbot dock would be processed into steel on the site and the semi-finished steel would then be sent by trains to Llanwern for rolling.

The advantages of the scheme are that the train link is already in being to take ore to Llanwern and the modern rolling *mills at Llanwern*, which produce steel of a quality preferred by the car companies, could be kept in production. Up to 13,500 jobs would go if that option is adopted.

The third option is to scale down iron and steelmaking and rolling at both works without closing big parts of them. That is called the "soft" option in Wales.

Production would be reduced from 5m tonnes of sheet steel a year in South Wales to 2.75m tonnes. Up to 11,000 jobs would go.

After the crucial South Wales decision has been made the Corporation intends to carry on with its plans for decentralising British Steel into a series of largely autonomous units.

It is likely that a new South Wales group will be formed which will be only a fraction of the size of the existing Welsh division. Tinplate production is being removed from management control in Wales to come into the new BSC Holdings, with headqu. rters in Sheffield.

The Scottish division is expected to be kept in more or less its present form but will have such a degree of *autonomy* that it will, in effect, become Scotland's own nationalised steel industry.

Another management group will be formed out of the Teesside installations. But the nearby Consett plant is still scheduled for closure.

As Teesside is to supply the Corby tube mills with bulk steel, the board may opt to include Corby tube-making within the new BSC Teesside group.

Bulk steelmaking in Sheffield and Scunthorpe has been put together into the new BSC Yorkshire and Humberside group.

Sir Charles Villiers, chairman of British Steel, yesterday refused to estimate the cost of the strike to the Corporation beyond saying that it was proving more expensive than the recent levels of working (the Corporation has been consistently losing about £1m a day).

He also said he had appealed to the Government for a cash limit for 1980-81 higher than £450m when the limits were being set. "But," he said, "we *were beaten back*"

A straight Government subsidy for British Steel coking coal purchases is still regarded by Sir Charles as probably the best additional form of relief that Government could provide for the Corporation after the strike.

Such a subsidy would enable the Corporation to buy National Coal Board coking coal without incurring cost penalties over imported coal of some £10 a tonne.

But it is well appreciated in British Steel that any such further Government assistance would cause an outcry among American producers that BSC exports into the U.S. were being subsidised.

CBI enlists women to economic battlefield

By Hazel Duffy, Industrial Correspondent

WOMEN HAVE been recognised by the Confederation of British Industry as a possible powerful force in the *battle to put across* the economic facts of life to the public.

About 80 "top women" from business, politics, the media and women's organisations attended a four-hour session yesterday in which they were invited to tell the CBI how it might get its message across to half the population.

Sir John Methven, director general, quietly admitted that he and the president, Sir John Greenborough, had more trepidation about this meeting than any other in the last two years. As it turned out, they need not have feared too much, but they did come in for more questioning and criticism on what the *CBI is actually doing about the* economic state of the nation than they normally do from the male-dominated CBI annual conference.

Mrs. Daisy Hyams, managing director of Tesco Wholesale, pointed out that "women's help is only solicited when the going gets tough. It happened in the First World War, then the *Second*, and now women are being asked to man the economic barricades."

She emphasised that while women needed more opportunities in management, they had to be prepared to take greater responsibility in business and union affairs.

Miss Ann Burdus, recently appointed *chairman of McCann-*Erickson, neatly turned the tables by saying that she thought most women are aware of both the micro- and macro-economic problems in the country, but what exactly was it that the CBI wanted them to do? It was a little like saying, "take me to your leader" when nobody knew quite who the leader was.

Sir John Methven *agreed that* he and his colleagues would have to put their heads together and think about this.

Much of the discussion concerned communication, and some of the speakers raised the point about the degree of effort made by employers to communicate with their employees. Sir John had earlier quoted a survey which showed that about half the employees in some companies thought their company was making good profits, and more than half thought their employers could afford to pay them a healthy increase in wages.

The decline in real profitablity by British industry, said Sir John, showed that this clearly *was not the case. But how many* companies, asked one speaker, had actually bothered to spell that out to their employees? Not enough, Sir John admitted.

Oil companies announce further rise in wholesale petrol prices

BY SUE CAMERON

SHELL, Mobil, Texaco, Burmah and Elf all raised their wholesale petrol prices last night by 3p-4p a gallon.

The increase—the second in three weeks—is expected to add about 5p to pump prices.

The prices of other oil products such as heating oil and fuel oil are also being put up. These latest increases follow the price rises announced by BP Oil on Monday. They have been triggered by the rise in the price of North Sea crude, and other oil price increases which have emerged following the Organisation of Petroleum *Exporting Countries' meeting* in Caracas last month.

The final level of North Sea oil prices has not been fixed, but at the start of the week British Petroleum put up the cost of Forties-type crude from $26.02 to $29.75 a barrel. Most of the major petrol companies seem to be taking this comparatively moderate price rise as a general indication of the increases to be expected.

The Motor Agents Association said the latest round of petrol price increases would take the cost of a gallon of four star at the pumps from about 119p to between 123p and 124p. But it stressed that there was still a wide variation in petrol prices around the country, with London tending to be more expensive than some other areas. Prices could range from as little as 112p per gallon up to 130p.

Shell UK Oil has put 4p on the wholesale price of its premium and economy grades of petrol and 4.05p on the regular grade. Burmah has added 4p to the wholesale price of all its petrol grades, Texaco has increased its prices by 3.2p per gallon for all petrol grades and Mobil has put its prices up by 3.6p for all grades.

Increases in the wholesale price of fuel oils range from 1.3p to 3p, depending on grade. Diesel prices have been raised by about 3.5p per gallon and burning oil has gone up by between 3.4p and 3.9p per gallon.

German price rises, Page 2

Licence pact for BP

BRITISH PETROLEUM and the Plenty Group have signed a licence agreement for advanced separator technology in the oil and gas process equipment field.

Plenty, through its wholly-owned subsidiary Plenty-Metrol, supported by BP, will be responsible for the worldwide marketing, design, manufacture and supply of a new generation of gas-oil and water-oil separation equipment for onshore and offshore oilfields.

The agreement follows exhaustive tests of full scale units in two Middle East oilfields. Units are planned for installation in BP's North Sea operations.

This technological breakthrough is a result of five years intensive development at the BP Research Centre, Sunbury, aimed at the reduction in size and weight of oil field production equipment.

International insurance deals under scrutiny

By John Moore

A LLOYD'S insurance broker and a number of members of the Lloyd's of London insurance community met yesterday to consider whether there were any grounds for referring a series of international insurance deals to the City of London Fraud Squad. A final decision will be made today.

So far no official complaint has been made to the UK authorities who have, however, been told that a complaint may be made. The 16-strong ruling Lloyd's committee is studying the problem.

The insurance business largely originated from the U.S. and Europe, but there are an extensive series of re-insurance deals which have been arranged throughout the world.

There has been concern *about the processing and* documentation of the business in London.

William Press anticipated legal action

By Andrew Taylor

A SPECIAL report produced by William Press in 1977 had discussed the possibility of legal proceedings against it as a result of the company's use of labour-only sub-contractors, a court was told yesterday.

The allegation was made in committal proceedings against the company and 11 of its executives charged with conspiracy to defraud the Inland Revenue. Two other men are charged with false accounting.

Mrs. Barbara Mills, prosecuting, said that the special report compiled by the company had considered the possibility that William Press staff as well as sub-contractors and operatives could be liable to proceedings if there were evidence available of tax lost to the Inland Revenue.

Mrs. Mills said that the special report had concluded that: "It might not be difficult to prove retrospectively that irregularities did exist." It *also warned that several top* executives in Scotland would almost certainly be prosecuted and other staff could also be involved.

Bank fees were 'share of the profits' says QC

ENTRIES DESCRIBED in the 1973 accounts of two companies in the London and County Securities group as "commitment fees" were in reality designed to give banks in the group "a piece of the action," a QC claimed in the High Court yesterday.

Mr. Donald Nicholls, QC, explained that a commitment fee was paid to compensate a banker for having committed his money to a particular agreed purpose and thus not having it available in a possibly more remunerative form.

What was called a commitment fee in the London and County accounts had not been designed merely to compensate a banker in that way: it had been a form of profit participation.

Mr. Nicholls was continuing his opening of the damages claim by London and County Securities Ltd. ("A & D"). London and County Securities Group Ltd. ("L & C") and nine other group companies.

They are suing the 29 partners in chartered accountants Harmood Banner and Co—now part of Deloitte Haskins and Sells — alleging professional negligence in auditing the 1973 accounts of A & D and L & C.

Mr. Nicholls has alleged that the fees should have been brought into the accounts at a figure of, at most, £528,000, instead of £1,748,000.

The defendants deny professional negligence. The hearing continues today.

Exchange cuts firms' charges

By Christine Moir

THE STOCK EXCHANGE is to reduce its charge for general services from $1\frac{1}{4}$ per cent of member firms' notifiable turn*over to 1 per cent from* February 1.

It is the second reduction in six months. The first was made possible by the success of Talisman, the computerised dealing system, which had lower than expected running costs in its first year.

This latest reduction in the charge follows the disclosure *earlier this month that* Stock Exchange turnover last year rose by 21 per cent in general equities and 23 per cent in gilts dealings.

Lake inquiry may see third plan

MR. MICHAEL HESELTINE, Environment Secretary, is to be asked if a third planning application can be heard at the inquiry into separate proposals by British Nuclear Fuels to raise the Northwest Water Authority to raise the levels of Wastwater and Ennerdale.

On the second day of the inquiry, the two sides agreed on a compromise application which could cut the length of the inquiry—which is expected to run for three months—by half.

The inquiry is studying plans by British Nclear Fuels to raise the level of Wastwater providing more water for the Windscale nuclear plant; and a water authority proposal to raise the level of Ennerdale providing more water for industrial west Cumbria.

Yesterday Mr. Iain Glidewell, QC, representing the water authority, said they had decided to put forward a third proposal. The new plan would involve the scheme for Ennerdale and a pipeline to provide water to Windscale, leaving Wastwater unaffected.

The inquiry should ask Mr. Heseltine to call in the application so that a concurrent inquiry could start, when the present one reopened after a two-week break in March.

The move was backed by Mr. Lionel Reid, QC, for British Nuclear Fuels. The water authority said: "A suitable compromise agreed between us could cut the length of the inquiry by half."

Inquiry inspector Mr. Dennis Komlosy said he would recommend the idea to Mr. Heseltine. The inquiry continues.

Air UK expects income boost

BY LYNTON McLAIN

AIR UK, Britain's new airline, was launched yesterday with the prospect of more passengers and 10 per cent higher revenue as a result of the take-over of former British Airways' routes. These routes will be offered to passengers from April 1.

The airline combines the operations and 42 aircraft of British Island Airways, Air Anglia, BIA/Air West and Air Wales.

These small airlines are all member companies of the British and Commonwealth Shipping Group, which owns 90 per cent of Air UK's holding company, British Air Transport Holdings. Eagle Star Insurance holds the balance of 10 per cent.

Mr. Peter Villa, Air UK managing director, described the airline yesterday as "the new national carrier for Britain's regions."

The airline plans to serve 23 regional airports and will start six new services in April, including the Heathrow-Guernsey, Manchester-Isle of Man, Leeds/Bradford-Belfast and Edinburgh-Jersey services dropped by British Airways.

Mr. Villa said the four former British Airways' routes would add up to 200,000 passengers and £5m extra revenue to Air UK's original forecasts of 1.5m scheduled and charter passengers and £50m revenue in a year of operations.

However, the airline expects 1980 to be difficult for regional air services. Mr. Villa said growth in demand would be at most 1 to 2 per cent, compared with about 8 per cent last year.

The airline does not favour a greater move to lower passenger fares, although it plans to examine each route on its merits.

One option to counter the rapidly rising costs, especially of fuel which rose by 100 per cent in the 12 months to last November, is to enter the higher growth markets in Europe. Mr. Villa said Air UK had applied to the Civil Aviation Authority to operate flights from Gatwick to Milan, Hamburg, Basle and Geneva.

These routes may be given up to three years to prove their viability. But in the case of existing routes, Air UK does not intend to support those that are uneconomic if they have not recovered after 12 months.

Company goes back to private sector

A PLASTICS company which has been backed by the Scottish Development Agency to the tune of £500,000 is the first wholly-owned subsidiary to be returned to the private sector by the agency under the Government's new guidelines.

The agency today announced the take-over of Braidwood Company in East Kilbride by the Intercobra plastics group based in Glenrothes.

It is believed this tie-up between firms in two Scottish new towns will make the Intercobra group Scotland's largest plastics components manufacturer with products ranging from packaging for cosmetics and disposable medical products, to amunition cases for the Ministry of Defence.

Announcing the take-over, Mr. Hugh Jack, the agency's industry director, said the sale was in line with the Government's recently-announced guidelines, encouraging the S.D.A. to return invested companies to private ownership.

The deal will give Intercobra immediate control *of the company* and outright ownership by 1984.

Mr. David Cooksey, Intercobra group managing director, commented, "the deal could not have come at a better time for us in terms of growth and increased markets."

He added that the Braidwood workforce of 65 would be retained.

The take-over will give the group an annual turn-over of more than £4m with 20 per cent exports and considerable potential for expansion.

Shouldn't the car outside your office match your performance inside?

The Vauxhall Carlton two-litre is no slouch by anyone's standards.

From standstill it can reach 60 mph in as little as 11.2 seconds.

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<u>IT GETS ON WITH THE JOB WITHOUT MAKING A SONG AND DANCE OF IT.</u>

While the speedometer provides visible proof of the car's performance, there are thankfully none of the more intrusive reminders.

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Tories forced gas price rise, Howell says

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE LATEST proposals to raise the price of gas will mean an "astronomical increase" in fuel bills which will affect every family in the country, Dr. David Owen, Labour energy spokesman, protested in the Commons yesterday.

He was leading the Opposition attack on a statement by Mr. David Howell, Energy Secretary, announcing the financial targets which the Government has set for the gas and electricity supply industries over the next three years.

The resulting increase in gas prices was condemned by Labour backbenchers as "ationing by price."

Significantly, many Tory MPs also voiced their worry at the big jump in prices.

Backbenchers estimated the two-stage increase for gas prices in April and October this year at between 27 and 30 per cent.

Mr. Howell frankly admitted that the size of the rise was the result of a Government decision.

Mr. Frederick Burden (C., Gillingham) asked him if the British Gas Corporation had requested the increase which he had announced to the House.

He replied: "No. The Government set the targets higher than the British Gas Corporation wanted. The reason we did that is because we have to ensure that our national gas reserves are not burned up too fast."

He later told Dr. Owen that the difference between the Government price rise and the lower rise which the BGC wanted would mean an extra profit of £200m-£300m for the Corporation in the coming financial year.

Mr. Howell explained that the average quarterly domestic gas bill was at present £29. This would go up by £7 next year, about £4 of which would be due to the rise in inflation and £3 representing a real increase. The weekly bill would go up by about 50p.

In broad terms, the Government expected domestic gas prices to increase this year by 10 per cent over and above the rate of inflation, followed by comparable real increases in the following two years.

Labour MPs scoffed at this and demanded to know on what forecast of inflation the Government was basing these figures. There were more Opposition jeers when Mr. Howell said they would have to wait to see what the outturn was.

The Government, he said, had set the BGC a target of 9 per cent return on net assets over the three-year period April 1980 to March 1983.

Electricity prices would also rise, though not as steeply as gas. The target for the electricity supply industry in England and Wales had been set an annual average rate of return of 1.8 per cent over the three-year period 1980-83.

Electricity prices were likely to rise over this period by about 5 per cent over and above the increase in the industry's own costs.

The need to conserve energy stocks was the main reason given by Mr. Howell for the size of the gas price rise.

He agreed, however, that the extra income which would accrue to the gas industry would also help to reduce the size of the Government's borrowing requirement.

Previous Governments had ducked the issue too long and it was now essential to follow a policy of economic pricing.

Some Tory MPs, obviously worried at the effect on the lower paid, pressed for a special gas tax to be levied on the BGC so that some of the money could be ploughed back to help poorer people pay their fuel bills.

Mr. Howell agreed that this was an interesting idea but said that it would need legislation to implement.

There was strong pressure from the Opposition for more generous help to the needy and Mr. Howell said that the Government was reviewing the whole range of assistance available to fuel consumers.

He gave five reasons why domestic gas prices would have to rise.

● Our reserves were limited and if the price was too low we should burn gas too fast.

● Low prices could cause peak demand to surge and bring the risk of shortages and cuts during cold weather.

● Sensible pricing was vital to achieve a proper balance of supply and demand for gas. The only alternative to the price rise would be some form of arbitrary rationing.

● The extra money was also needed because gas from the new North Sea fields would cost several times more than earlier gas supplies.

● Artificially low prices helped gas users at the expense of the rest of the population.

"In a period of international uncertainty over fuel supplies and rapidly rising fuel costs it is important that consumers should be aware of the true value of the fuel they are using," Mr. Howell emphasised.

"The prices which consumers pay for different fuels must reflect that value. After a year in which crude oil prices have risen by 100 per cent or more this is bound to mean heavy increases in other fuel prices."

Mr. Anthony Wedgwood Benn (Lab., Bristol SE) the former Energy Secretary, said that Mr. Howell's arguments would not carry a great deal of weight.

"There are many ways of conserving gas supplies without imposing a savage tax upon the poorest customers which will drive many of them to disconnectio nand poverty," Mr. Benn declared.

Shocking explosion sets Members jumping

BY PHILIP RAWSTORNE

GAS PRICE explosion! Electricity shock! Labour registered its view of Mr. David Howell's increases in the price of gas and electricity yesterday with a proper sense of sensation.

"Astronomical," declared Dr. David Owen. "A very, very severe blow."

"A savage tax on the poorest consumers," added Mr. Anthony Wedgwood Benn.

The Opposition benches flared with anger, protest and condemnation.

But even some Tories seemed to think that the Government's adherence to the market economy was becoming a bit expensive.

"Everyone agrees that some increase in energy prices is necessary," said Sir Bernard Braine. "But . . ."

Sir Bernard in short was mystified by the need for increases on this scale.

"It is important that consumers should be aware of the true value of the fuel they are using," Mr. Howell explained, in his best free market manner.

But what was the true value of gas? Mr. Frederick Burden asked the Energy Secretary, forcing him to admit that the Government put a higher price on it than the British Gas Corporation had sought.

But then there were other reasons apart from the main consideration of an economic price that reflected the higher price of oil, he said.

scarce energy supplies for future generations," Mr. Howell argued. ... ...

Why? Mr. Enoch Powell disconcertingly demanded. Why should gas be conserved for a generation about whose circumstances we knew nothing?

Mr. Howell switched rapidly from aggressive economics to defence.

This was a dangerous world we lived in and we should protect our supplies, he declared. If the price were too low the gas would be burned up too fast and we should bring forward the day when we had to turn to more expensive sources of supply.

Most MPs appeared to find it difficult to imagine these more expensive sources. So Mr. Howell finally tried an egalitarian approach.

Artificially low prices, he said, concentrated the benefits on gas consumers at the expense of the rest of us.

The queue of gas customers could bring a surge in demand that could cause shortages and supply cuts on cold winter days.

Western disunity angers MPs

By Ivor Owen

DISAPPOINTMENT and annoyance was expressed from both sides of the Commons yesterday at the lack of cohesion in the West in mounting an economic counterthrust to the Soviet invasion of Afghanistan.

While observing the diplomatic niceties by not publicly revealing the positions taken up by individual Governments, Sir Ian Gilmour, Lord Privy Seal and Deputy Foreign Secretary, did not deny a suggestion that at Tuesday's meeting of the EEC Council of Foreign Ministers, the French Government opposed even the complete cancellation of sales of cheap butter to the Soviet Union.

Backbench MPs who have been leading the campaign to stop the Moscow Olympics shouted "Why not?" when he admitted that this issue was not discussed at the European Council.

Sir Ian replied: "Lack of time as much as anything else."

The possibility of switching the Games to another location would be considered by EEC Ministers but he stressed that the British Government had yet to decide how this issue should be tackled.

He emphasised that the International Olympic Committee and the British Olympic Asociation were independent bodies.

Sir Ian, who said he believed that the Olympics had been discussed at Tuesday's NATO Council meeting, added that there were other countries which, like Britain, did not control their Olympic Committees.

Mr. Peter Tapsell (C. Horncastle) called for an assurance that the Government would examine urgently measures which would enable the West to take decisive action against Russian influence throughout the world.

Further consultations on the measures which the West could undertake when Lord Carrington, Foreign Secretary, returns from his tour of the countries most directly affected by the events in Afghanistan.

Sir Ian said it had been agreed that all possible measures relating to Afghanistan should be considered at the next meeting of the EEC Council of Ministers in Rome next week.

● The presence just inside Rhodesia of a small detachment of South African troops could not be said to be "foreign involvement in Rhodesia," Sir Ian Gilmour, Lord Privy Seal, told the Commons yesterday. But Mr. David Steel, the Liberal leader, said the troops were "a source of possible provocation and irritation in an otherwise successful ceasefire situation."

'Protect nation's moral life'

PORNOGRAPHY was being exploited on a huge scale by "powerful national and international financial interests," Lord Nugent of Guildford (C) told peers yesterday.

"It is, therefore, the duty of the Government to safeguard the moral life of the nation from this cultural pollution by strengthening the law against those who breach all canons of decency."

He was opening a debate on the Williams Committee report on obscenity and film censorship.

He complained that its recommendations would weaken rather than strengthen existing legislation and would make conviction more difficult.

For the Liberals, Lord Wigoder, said: "Any form of censorship or control of the freedom of expression is intrinsically objectionable and by its nature it is bound to be capricious."

But some form of control on pornography was "manifestly necessary."

Heseltine argues case for curbs on spendthrift local authorities

BY IVOR OWEN

RATEPAYERS will be in a stronger position to identify spendthrift local authorities under the new block grant system to be introduced by the Government, Mr. Michael Heseltine, Environment Secretary, told MPs last night.

Castigating the existing rate support grant system as "ludicrous," he said it rewarded profligacy and penalised thrift.

Mr. Heseltine sought approval for what could be the last of the old type rate support grant settlements, which has the effect of imposing a 13 per cent ceiling on the extra cash available from the national exchequer to help fund pay and price rises in local government in 1980-81.

He promised that the proposals for the new block grant would be included in the Local Government Bill to be introduced in Parliament soon.

The new system, like the existing one, would be designed to enable local authorities to provide a comparable standard of service for a similar rate in the pound.

But instead of trying to achieve this through two separate "elements" of grant —needs and resources—it would do so directly through a single grant paid to each authority.

Unlike the arrangements associated with the rate support grant it would not leave the Treasury with an open-ended commitment.

Mr. Heseltine explained that standard rate poundages would be determined based on the relationship between actual expenditure and an assessment of "standard expenditure"—the expenditure which authorities with similar characteristics and circumstances would on average be likely to incur in providing a normal standard of service.

The more an authority spent above the level of "standard expenditure" the greater the proportion of the money would have to be raised through the rates.

Mr. Heseltine stressed that he wanted to see developed—in full consultation with the local authority associations—a new system of assessing authorities' standard expenditure.

The new method must be comprehensible, stable and equitable and must be based on a commonsense look at the factors which affected expenditure.

"In practice, I envisage a significant threshold above the level of standard expenditure before grant support under the block grant system begins to taper off, for no generalised method of assessing standard expenditure can take full account of each authority's circumstances."

While admitting that the internal workings of any system which sought to be fair to over 400 authorities was bound to be complicated, he maintained that in general block grant would be much easier for the wider public to understand.

Election deposits may rise

By Elinor Goodman

THE Government may recommend a rise in the £150 deposit for Parliamentary candidates.

The change, which could discourage fringe candidates using elections for publicity, is part of an electoral reform package now under review.

Procedure for introducing such electoral changes is also being considered.

Mr. Leon Brittan, Home Office Minister, said that the package was stacked with "highly desirable items," such as making it easier for people on holiday to vote and increasing the size of deposits.

He queried whether a Speakers' Conference was a necessary prerequisite to reform. In the past, he told the Tory political centre, its recommendations had often been ignored.

There did not appear to be any sound historic reasons why the proposals should be considered by a specially constituted committee of MPs before Parliament had a chance to debate them.

Call grows to expel Trotskyist group

BY ELINOR GOODMAN

PRESSURE to eject members of the extreme Left Militant Tendency from the Labour Party were mounting last night, despite an atempt by an NEC member to defuse the argument about whether to publish an internal inquiry into the activities of Trotskyists in the party.

The documents, showing the hold militants have in some constituency associations and the strength of their organisation, have already been leaked extensively.

Yesterday, Mr. Eric Heffer, chairman of the Organisation Committee which last week voted against publication, accused those seeking publication of deliberately stirring up trouble and playing into Tory hands.

The evidence in the documents, he suggested, did not justify ejecting Militant members from the "broad church" of the Labour Party.

Nor did they seem to suggest Militants were any more subversive than some of the Right-wing Labour organisations.

Mr. Heffer cautioned extremists on both sides of the party against breaking the rules.

The executive would see that the rules and constitution were fully accepted and implemented. Those who undermined them, from whatever side would be resisted.

That went as much for those "seeking to split the party by entering into discussions with other parties and groups to form a new centre party" as for those on the Left.

Last night, the moderate Manifesto Group was to meet Mr. Terry Duffy, the Right-wing AUEW president, to try to persuade trade unionists on the executive to support demands for publication.

Moderate MPs also hoped that the unions would support demands to use party rules to eject Militant members.

The executive will decide on Wednesday whether to authorise publication of the updated documents.

Advisory bodies will have to prove their worth, Pliatsky recommends. Robin Pauley reports.

Tighter control on quangos accepted

THE establishment of more quangos — quasi-autonomous non-governmental organisations —will be very difficult following the Government's acceptance of a report recommending abolition of some quangos and merger of others.

The report by Sir Leo Pliatsky, former permanent secretary at the Department of Trade, says that the practice of "hiving off" functions from Government departments to autonomous fringe bodies should cease except in exceptional circumstances.

Future advisory committees should have finite periods for their work and then be re-examined and disbanded unless reappointment was necessary. The present de facto continuation of advisory bodies which once may have served a useful function should stop.

During his review lasting three months and costing £35,000-£40,000, Sir Leo and a staff of three spoke to each Minister in charge of a department. He asked them to consider with advice from his permanent secretary all public bodies in his field on the basis of four questions:

● Is the function necessary or, if not, valuable enough to justify the time and money spent on it?

● If the function is either essential or sufficiently valuable is it best carried out by the non-departmental body?

● Is it being carried out well and economically?

● Would there be any substantial loss or disadvantage if the body were wound up?

Jobs

Permanent secretaries had a natural desire to continue bodies. But Ministers decided that 30 of the 489 executive bodies should be wound up or have their departmental support withdrawn.

The number of advisory bodies is to be reduced by 211 from 1,500. The report indicates that a reduction in the network of advisory committees in the Manpower Services Commission's field by a further 200 may be possible soon.

Five judicial bodies also will be wound up. The total saving will be £11.6m per year and the initial reduction in manpower will be 2,060.

A further review in the autumn is expected to make similar reduction in quangos and consequently in jobs. This would double the present cut of 3,700 (14 per cent) in public appointments.

The report stresses that the public hysteria against quangos as an instrument of government has been largely unjustified.

The report indicates that the executive bodies with a total staff of about 217,000 were the channel for expenditures of almost £5.8bn. In addition, Government departments spent £24m to sponsor bodies.

The top 20 executive bodies accounted for 87 per cent of the expenditure. The regional water authorities in England and Wales were responsible for £1.72bn expenditure; new town development corporations more than £500m; industrial training boards £200m; Manpower Services Commission £548m; National Enterprise Board £206m; Atomic Energy Authority £213m; Civil Aviation Authority £109m; British Council £90m; and the Arts Council £50m.

Significantly, none of these bodies, accounting for the greater part of expenditure, is to be axed.

The Location of Offices Bureau and the eight regional economic planning councils are the largest of the 57 quangos to go soon from Mr. Michael Heseltine's Environment Department. Altogether his department will have its quangos cut by almost half from 119. More cutting in the autumn cannot be ruled out.

A new regime is recommended for bodies which receive more than, say, 50 per cent of their finance in non-recoverable forms from the taxpayer, for example, as grants.

It includes the requirement for expenditure to be approved by the sponsoring department, the department to have oversight on numbers, grading, pay and conditions of staff, and for the accounts to be audited by the Comptroller and Auditor General, who submits his report to the Public Accounts Committee of the House of Commons.

The report says that the Comptroller and Auditor General should have access to the books of bodies not substantially financed on outright grant terms if the body is not of a primarily commercial character or subject to the disciplines of a competitive market. The accounts of these bodies will generally be subject to commercial audit.

Bodies facing Government action

Executive bodies to be abolished, rationalised or have support withdrawn.

Agriculture, Fisheries & Food: White Fish Authority to merge with Herring Industry Board.

Education & Science: Centre for Information and Advice on Educational Disadvantage abolished.

Employment: Wages councils for the following trades to be amalgamated to form the Retail Food and Allied Trades Wages Council: Retail Bread and Flour Confectionery Trade (England and Wales and Scotland); Retail Food Trades (England and Wales, and Scotland); Retail Newsagency, Tobacco and Confectionery Trades (England and Wales, and Scotland). Wages councils for the following trades are being amalgamated to form the Retail Trades Wages Council (Non-food): Retail Bookselling and Stationery Trades, Retail Drapery, Outfitting and Footwear Trades.

Environment: Inland Waterways Amenity Advisory Council abolished. Location of Offices Bureau abolished. Centre for Environmental Studies — funds withdrawn.

Foreign & Commonwealth Office: Toplis and Harding (Middle East) Limited abolished. Technical Education and Training Organisation for Overseas Countries abolished. Institute of Development Studies — support withdrawn.

Health and Social Security: Good Neighbour campaign group abolished. Health Services Board abolished. Personal Social Services Council abolished. Supplementary Benefits Commission abolished. Training Council for Orthotists—support withdrawn.

Industry: Furniture Development Council abolished.

Northern Ireland Office: Supplementary Benefits Commission for Northern Ireland abolished. Community Worker Research Project abolished.

Scottish Office: Peterhead Bay Management Company abolished. St. Vincent Drilling Company abolished.

Trade: Metrication Board abolished. National Film Development Fund abolished. Price Commission abolished.

Transport: National Ports Council abolished. Road Safety Education Development Unit abolished.

Estimated savings from winding up, rationalisation or withdrawal of support from bodies:

	£
Agriculture, Fisheries and Food	157,000
Defence	198,000
Education and Science	350,000
Employment	454,000
Energy	45,000
Environment	1,551,000
Foreign & Commonwealth Office (Including ODA)	41,000
Health and Social Security	600,000
Home Office	280,000
Industry	353,000
N. Ireland Office & Departments	105,000
Scottish Office	44,000
Trade	7,354,000
Transport	59,000
Treasury	67,000
Welsh Office	33,000
Total	11,641,000

UK NEWS—LABOUR

Sweet factory picket arrested

Hugh Routledge.

Pickets try to keep warm outside a sweets and bubblegum factory at Slough, yesterday. Earlier skirmishes broke out with police and one person was arrested, our Labour Staff writes.

Police estimated about 100 demonstrators took part in the picket which the General and Municipal Workers Union had hoped would be a mass demonstration. The union had earlier hoped the early morning picket over a recognition dispute would attract strong support from local trades councils, trade unions and the Asian community in Slough.

The official strike at Chix Confectionery started on October 10 and involves 96 workers, mainly Asian women, according to the union. About 80 are still out on strike.

Union officials have viewed the dispute as being in many ways similar to the Grunwick dispute and see the recognition claim as a test case for similar concerns in the South East, who employ Asian workers.

Mr. Jerry McMullen, London regional officer for the union said the turnout for the picket has shown considerable support for the strikers. He blamed the cold weather for the small number of strikers who turned up for the early morning demonstration and said the union would take steps to cut off supplies to the factory. Materials have been arriving through third parties.

The demonstrators included contingents from Reading and the nearby Ford commercial vehicle assembly plant at Langley. Miss Joan Lestor, the Labour MP for Eton and Slough also addressed the pickets The Thames Valley Police said about 30 police were on duty at the picket.

Mr. McMullen said that Mr. Denis Rose, owner of the company, had agreed to discuss compromise proposals over the dispute today. The union will offer concessions on redundancies of part time night shift workers and modifications of the bargaining terms of the recognition claim.

Mr. Rose had refused to talk either to the union or the Advisory, Conciliation and Arbitration Service until last week. The company said yesterday it had no comment to make.

Water unions plan joint action

BY PHILIP BASSETT, LABOUR STAFF

THE NATIONAL Union of Public Employees yesterday gave authority to its 10,000 members in the water supply and sewerage industry to take industrial action over pay.

The General and Municipal Workers' Union, the largest in the industry, has already recommended that its 20,000 water members stage a total strike.

The other major union involved, the Transport and General Workers', will today give its approval for action after announcing the results of a ballot of its members in the industry, which shows overwhelming rejection of the employers' 13.1 per cent pay offer.

The executive council of NUPE yesterday unanimously accepted a recommendation from the union's water national committee for industrial action unless the employers improved the offer by taking into account a joint study comparing water workers' pay and conditions with those in the gas and electricity supply industries.

The study does not specify increases, but the unions have quantified it as showing a gap of about £10 a week. The employers, the National Water Council, dispute the unions' figures.

NUPE has stated that any action should be taken in concert with the other unions. Officials from all three major unions involved will meet today to begin co-ordinating action before pressing the Council again for improvements.

Mr. Alan Fisher, NUPE general secretary, said that the executive recognised the seriousness of action in the industry, and called upon both employers and Government to re-open negotiations and honour their commitment to comparability.

Action in the industry could very quickly create a serious health hazard. The Government plans to use 15,000 troops to take over the system in the event of a national stoppage, but Mr. Fisher said he thought it would be very difficult to raise enough troops to take over a very complex industry.

Officials agreed that 13-16 per cent pay offer made earlier this week to 40,000 manual workers in the gas industry would further aggravate water workers' resentment.

A meeting between the employers and the unions before the end of the month is a possibility. Mr. Ron Keating, NUPE assistant general secretary, held out some hope of averting action when he said that if the employers were prepared to put money on the table for comparability "that would be serious negotiation and it would remove the threat of confrontation that exists at the moment."

"But I do not see much point in having a meeting unless something happens besides us saying we feel strongly about this."

The unions are also claiming an increase to take the present basic minimum rate to £75 a week, substantial improvements in shift, stand-by and call-out payments, a shorter 35-hour week and increased holidays. The employers have costed the claim, without the comparability study, at 53 per cent.

The present offer would raise average earnings from £81.28-£107.71 to £91.08-£114.16.

Differences over pay talks structure for bank staff

BY NICK GARNETT, LABOUR STAFF

BANK STAFF bodies and the managements of the five English clearers are attempting to arrange a negotiating structure for this year's wage talks in the face of considerable bickering as to how the negotiations should be run.

The Federation of Bank Employers has written to the Banking, Insurance and Finance Union proposing either national negotiations with the union and the three staff associations jointly, or national negotiations with the union and with the staff associations separately. A similar letter has been sent to the three staff associations.

In line with previous statements, the union has replied that it will not negotiate jointly with the staff associations and will opt for separate national negotiations.

It has warned, however, that it will review this position if the Federation as a whole tries to negotiate nationally with the staff associations.

The Federation represents all five clearers, although the staff associations operate only in Barclays, Lloyds and National Westminster and not in Midland or Williams and Glyn's.

There must be considerable feeling within the Federation that as it is a corporate body representing all five banks it should have representatives of all five banks present when it discusses pay with the staff associations. That is to some extent explicit in the letters.

There is also considerable annoyance among managers of some of the banks that the union is attempting to tell the Federation how it should negotiate.

Managements at Midland and Williams and Glyn's, however, will perhaps consider the possible repercussions if they have representatives at negotiations with the staff associations.

The unions executive has given a mandate to its officials operating in Midland and Williams and Glyn's to consider the possibility of industrial action in those two banks in that event.

The executive would also then consider whether it should pursue its 25 per cent pay claim through domestic bank negotiations.

The Federation is anxious to prevent the disorganised negotiations of last year which culminated in the Midland being picked off for industrial action. There are considerable doubts among some managers, however, that difficult and messy negotiations can be avoided.

Council manual workers accept offer

BY OUR LABOUR STAFF

UNIONS representing 1.1m local authority manual workers will today formally accept a pay offer worth about 14 per cent after the National Union of Public Employees yesterday agreed to the deal.

The union executive council approved the offer after considering the result of a ballot of its 450,000 local authority members.

The ballot showed an overwhelming acceptance of the offer. Excluding those branches which voted unanimously for the deal, union officials said that about 250,000 were in favour with roughly 13,000 against.

The deal, which will be backdated to November last year, raises present basic rates from £47.28-£56.67 to £50.07-£64, with a further £1.38-£4.91 to come in April from the second stage of the Clegg comparability award.

The union confirmed that a similar offer, if tabled by the employers' side at pay talks tomorrow would be likely to prove satisfactory for 250,000 National Health Service ancillary workers.

Mr. Alan Fisher, NUPE general secretary, said that while the executive was accepting the local authorities' offer, it did little to solve the overall problem of low pay suffered by public service workers.

NHS technicians to seek local deals

BY GARETH GRIFFITHS, LABOUR STAFF

HEALTH SERVICE unions are likely to withdraw from national negotiating machinery for hospital laboratory technicians' pay next week as a protest over delays in reaching a settlement over on-call payments.

The Association of Scientific, Technical and Managerial Staffs, which represents most of the 16,000 hospital technicians, said last night the majority of its branches wanted to withdraw from national talks and negotiate directly with local area health authorities. Talks over the on-call payment rates have been held intermittently since December, 1978. The last management staff talks were held on December 21.

Mr. Reg Bird, a national officer of the ASTMS and secretary to the staff side of the Whitley Council for the technicians, said a decision would be taken on Monday. The unions' claim is for increases in the on-call-at-home payments from £3 to £10 and in call-out allowances from £4.55 to £7.50.

The move for local agreements would mean the health service unions setting a national minimum rate and local negotiators insisting on that figure while pressing for a topping-up payment. Mr. Bird said there could be further industrial action in the emergency services locally if area health authorities did not meet the claim.

The National and Local Government Officers' Association is also likely to back the ASTMS move. Reports from its branches suggest little support for the proposal for selective strikes, but strong enthusiasm for local talks.

Members of the Confederation of Health Service Employees and the National Union of Public Employees have also been consulted on whether to opt for selective strikes or local agreements. Mr. Bird said several area health authorities had already indicated they were prepared for local deals, particularly in Scotland.

Technicians have been refusing to make out emergency call rosters, slowing down the allocation of work, since the beginning of November. The Department of Health and Social Security said yesterday that local authorities had no power to negotiate with the unions directly over call-out allowances. The effect of the dispute was serious in about half the country with emergency calls being dealt with only on the advice of consultants.

Strike closes school

A TEACHERS' strike closed the Robert Mellors Primary School, Arnold, Nottingham, yesterday after a woman teacher was suspended for failing to obey the headmaster's instructions. The school has 241 pupils.

National Union of Teachers member Mrs. Eileen Crosbie had refused to teach when the local education authority cut the school's nursery staff for 40 children from one teacher and two nursery nurses to one teacher and one nurse.

Her refusal was backed by the union, which made the strike by seven teachers official. The union warned that the action could spread.

An education authority spokesman said a temporary teacher had been appointed to continue schooling for 40 children in the nursery section, but the rest of the staff were on strike on union orders.

Supervisor not to blame

A SUPERVISOR, dismissed after senior management found 16 out of 50 workers on the night shift asleep at the Jentique factory in Dereham, Norfolk, was not at fault, an industrial tribunal has ruled.

The tribunal said that Mr. Douglas Larner, 57, of Sandy Lane, Norwich, should be re-employed as a journeyman or charge hand.

BUSINESS AND INVESTMENT OPPORTUNITIES

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3. 29 Sept.-10 Oct.
4. 8-12 December

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IMP 80 will be held at Emmanuel College, Cambridge from July 6th to August 2nd inclusive. Participation is limited to senior managers and directors who are interested in understanding the integration of the marketing function into the corporate whole. The course is relevant to consumer, industrial and service companies with national or international interests.

Please send me your brochure on IMP 80.

Name ____
Company ____
Address ____

To: Programme Director, IMP Ltd., 2 Seaforth Place, Buckingham Gate, London, SW1E 6JP. (Dept. F T)

APPOINTMENTS

Lord McGregor to be chairman of the ASA

Lord McGregor of Durris.

Lord McGregor of Durris, chairman of the Royal Commission on the Press from 1975 to 1977, is to be the new chairman of the ADVERTISING STANDARDS AUTHORITY from April 1. Lord McGregor is Professor of Social Institutions at the University of London.

He succeeds Lord Thomson of Monifieth, chairman designate of the Independent Broadcasting Authority.

The ASA supervises the British Code of Advertising Practice, and deals with complaints about advertising by the public.

★

Mr. R. Warrington has been appointed regional general manager of the new City of London regional office of LLOYDS BANK in Cannon Street. Mr. N. H. Mays and Mr. I. H. Weatherall are made assistant regional general managers.

★

The BRITISH BANK OF THE MIDDLE EAST states that following the move of its head office from London to Hong Kong, Lord Denman, Sir Geoffrey Arthur, Mr. G. A. Calver, Mr. H. N. L. Keswick, Mr. W. D. Peyton, Mr. G. M. Sayer, Mr. J. A. Swire, Viscount Weir, and Sir Philip de Zulueta, have been appointed to a new London advistory committee.

Mr. M. G. R. Sandberg has been appointed chairman of the Bank in place of Mr. P. E. Hutson who will chair the London advisory committee. Mr. J. L. Boyer, Mr. A. D. A. G. Mosley, Mr. P. E. Hammond, Mr. W. Purves, and Mr. J. A. P. Hill have joined the Board, and Mr. A. Macqueen has retired.

★

Mr. George Payne has been appointed managing director of NORWEST HOLST SCOTLAND in succession to Mr. Frank Sharp who now leads Marshall-Andrew, the London-based company that joined the Norwest Holst Group last year.

★

At TERRA NOVA INSURANCE COMPANY Mr. A. F. Aldridge has been appointed financial controller; Mr. R. W. Dawes, investment manager; Mr. P. W. Norledge, company secretary; and Mr. J. Parker operations controller.

★

BRUSH WELLMAN'S (U.S.) beryllium products group has announced the formation of an alloy products marketing department and named Mr. John Tillotson director of marketing.

★

Mr. Joseph Patrick has been appointed vice president—international operations for CUMMINS ENGINE COMPANY, based in Columbus, Indiana. Previously he was vice-president—Europe, Mid East and Africa, in London.

★

BOLTON, INGHAM (AGENCY) have appointed Mr. J. R. S. Wace, Mr. M. R. Lester and Mr. C. W. Rome directors.

★

Mr. Alexander Russell has been appointed a director of ANDUFF CAR WASH, Reading. He was previously an associate director in the investment management department of Orion Bank.

★

Mr. T. K. Emmenegger has been named director of international development for the CARMET COMPANY, a member of the general industry group, Allegheny Ludlum Industries. He had been manager of European marketing and technology for Carmet based in Amsterdam, and will now be based in Pittsburgh.

★

The petroleum products group of PHILLIPS PETROLEUM COMPANY EUROPE-AFRICA has appointed Mr. Michael P. Press as director, crude oil supply. The pest is based in London and is effective February 1.

★

Mr. David Ensor, managing director of the Croydon Advertiser Group of Newspapers, has joined the Board of its parent company, JESSE WARD INVESTMENTS.

★

Mr. Ronald S. McMeekin, a senior vice-president with CROCKER BANK in San Francisco, has been named manager of the bank's Europe-Middle East-Africa area administration in London. He succeeds Mr. J. H. Dethero, who returns to San Francisco as senior vice-president in charge of the bank's international banking activities in North America.

★

Mr. John Squire has been appointed to the Board of MYSON INDUSTRIAL SPACE HEATERS, a Myson Group company, as sales director.

★

Mr. David Warner has been appointed a director of newly-*formed* LANGLEY FORK TRUCKS (NORTH WEST), based at Bamber Bridge, Preston, a subsidiary of Langley Mechanical Handling.

★

At SUNDEALA BOARD COMPANY Mr. K. G. Davenport becomes sales director and Mr. E. W. Rose becomes contracts director.

★

The managing director of the INDUSTRIAL BANK OF FINLAND Dr. Raimo Ilaskivi has been elected Mayor of the City of Helsinki. In Finland this is a permanent position, and he will therefore resign from the Bank which he has served for more than 22 years. The Board has nomoniated the former office manager of the bank, Mrs. Maija Kaukoranta, as acting managing director.

★

Ian W. Leith has been appointed to the Board of CHARLES FULTON (DEPOSITS).

Economic director of British Gas

Arising from the impending retirement later in the year of Mr. J. V. Licence, Mr. Chris W. Brierley is to be appointed director of economic planning to the BRITISH GAS CORPORATION. He will be responsible to the deputy chairman for the corporate planning, economic relations and management services departments. He joined the gas industry in 1970 as chief accountant of East Midlands Gas Board. He was appointed director of finance, Eastern Gas in May, 1974 and director of finance to the British Gas Corporation in May, 1977.

★

Mr. S. R. D. Fanshawe has joined the Board of BP NUTRITION (UK) and of its subsidiary company Nordos Feed Materials. He has assumed executive responsibility as operations director for the Group's speciality and trading division and will be based at Witham, Essex.

★

Former Conservative MP for Glasgow Cathcart, Mr. Teddy Taylor, has joined the Board of ANSVAR INSURANCE COMPANY.

★

Mr. John Coleby has been appointed assistant secretary and will become head of the theatre department of EQUITY.

★

At GERRARD INDUSTRIES Mr. Regis Vey, who has recently joined Interlake Inc. as vice president, becomes general manager of the packaging and storage products division. Mr. Alan Gill, formerly general manager — manufacturing, is made director—manufacturing. Mr. John Arthur, formerly general manager—marketing, is appointed director—sales and marketing (UK). Gerrard Industries is a wholly-owned subsidiary of Interlake Inc., a Chicago-based corporation.

★

Mr. Ronald Stedman has been appointed managing director of DURHAM CHEMICALS, main manufacturing company of the Durham Chemical Group, a Harrisons and Crosfield subsidiary. He takes over from Mr. John Thompson who remains chairman of the company and chief executive of the Durham Chemical Group.

★

Mr. George H. Ford has been elected to the Board of the RUSH AND TOMPKINS group. He is to be executive director responsible for all operations outside the UK.

★

Lord Caldecote has been elected a director of ESTATES DUTIES INVESTMENT TRUST. He is chairman of Finance for Industry and of its subsidiary Industrial and Commercial Finance Corporation, the managers of EDITH.

★

Mr. Charles N. Taylor, marketing director of TIOXIDE GROUP, has been made managing director (operations). He will continue to be responsible for marketing.

★

Mr. Philip Porter has been appointed director and general manager at WHITTINGHAM AND PORTER, Hull-based press and drop forgers and members of the Daniel Doncaster group. Mr. Tony Porter becomes sales director.

★

Mr. Philip I. Porter and Mr. Garry R. Southern become executive directors of MANUFACTURERS HANOVER.

★

Mr. P. G. Rattenberry has been appointed works director of RICHARDS AND ALLAN (NUTS AND BOLTS), a subsidiary of Ralin Holdings.

★

The Industry Secretary has appointed Mr. Gavin Laird, executive council member of the Amalgamated Union of Engineering Workers, and Mr. John Ray, chief executive of the Chloride Group, to the INDUSTRIAL DEVELOPMENT ADVISORY BOARD.

★

Mr. John Harvey has been appointed a director of BAIN DAWES (WESTERN).

THE MARKETING SCENE

Inflation, pricing and the rule of relativity

BY HAROLD LIND

SUCCESSFUL business depends on the ability to predict market trends, and particularly changes in the volume of goods bought by customers. Any sophisticated business man has a marketing model which tells him what is likely to happen to demand for his product if its price rises, or its competitor's price falls, or if the world comes to an end.

The most obvious component in a marketing model of demand is price. It is intuitively clear that as a product's price rises, so demand will fall, but things are never quite that simple.

This helps explain why predictive models based either on price changes, or even on the rate at which prices change, have not been particularly successful.

Recently, the way has been open for experiments involving a great number of additional variables, and one line of progress has concerned a product's *relative* price. In one sense this is not new. Most models look at "real" changes—that is, taking account of the general rate of inflation, defined in one way or another. Another obvious relative price to consider is that of a highly competitive product. No-one would try to predict tea sales without considering coffee prices, or margarine sales without butter. But there are many *other forms of relative price* movements which have received virtually no attention at all.

A very general example may help to clarify the point. AGB's TCA Panel covers most packaged grocery areas. These areas do not account for all food that is bought, and of course cover a still smaller proportion of the items going to make up the Retail Price Index. Furthermore, the TCA product categories would be expected in *many cases to differ systematic*ally from other areas, simply because they tend to be dominated by leading manufacturers.

Thus it is no surprise that price movements of the TCA All Commodities Index are markedly different from those of the Retail Price Index. This has been the case for as far back as the two indices can be compared, but the graph shown here concentrates on movements over the past three years starting with the rate of change of each month in 1977 on the same month in 1976.

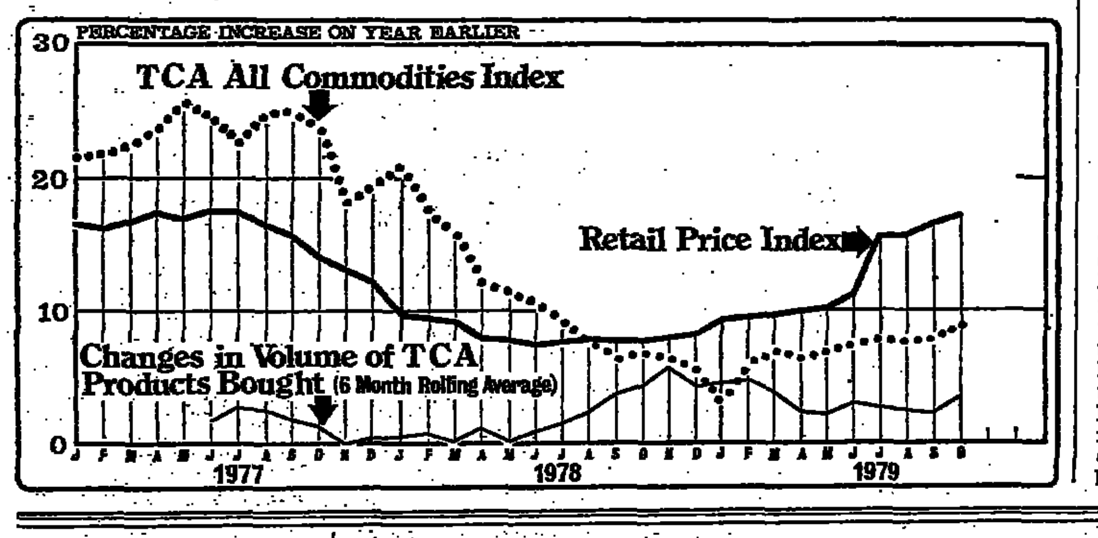
The period covered began with the percentage increase in the TCA index (on a year earlier) far above that in the RPI (unusual weather conditions and the increasing effects of Common Market pricing having helped force up basic food and drink prices), but finished a long way below the RPI level as better harvests diminished scarcities and VAT increases affected the RPI much more than an index with a higher food component.

The lower line on the graph shows the changes in the volume of TCA products bought compared with a year earlier, using a rolling six-month average. It is obvious that the figures here are markedly higher in the latter part of the period when the TCA increases were lower. So much would be expected on the crudest demand model. What is not obvious is that the relationship of volume increases is very much better when compared not with the change in TCA prices but with the differ*ence between* TCA prices and those of the retail price index as a whole.

It is always unwise to place too much reliance on a relation*ship shown by figures covering* only a few years. Many a splendid forecast has come to grief in this way. Nevertheless, the relationship fits in most plausibly with a considerable *amount of work on consumer* reactions to price changes. The idea that there is a "right" price for an article, to which demand is conditioned, would chime in well with this, since in an *inflationary period* a "right" price could only be recognised in relation to the price of other goods.

So far, a practical man would *probably* describe the figures I have presented as "interesting," a term of abuse analogous to "enthusiastic" in Civil Service parlance, and this would be quite justified.

But *the principle* of predicting demand by looking at a rather wider range of price relativities than is usually done might prove far more helpful. It may well be, for example, that an increase in butter prices would look more or less outrageous depending on movements in other prices never regarded as being directly competitive with butter—for instance, other areas of packaged groceries.



Up to £35m may be at risk

A SEVERE increase in the rate of tobacco duty seems a certainty for the spring Budget. But it could be accompanied by far-ranging proposals for a dramatic clamp-down on most forms of cigarette promotion, writes Michael Thompson-Noel.

Reports of current talks between the tobacco industry and the Department of Health and Social Security have focused almost exclusively on the issue of cigarette advertising (see story, right). But the new agreement covering tobacco promotion could well incorporate a demand that tobacco companies halve their promotional budgets within four years; tough new *rules on sport and arts spon*sorship, a ban on coupons, far stronger health warnings on packs, or a permutation of these and other measures.

It is difficult to gauge the total spent on UK cigarette advertising, but Admap estimated the total last summer at around £35m a year. According to Admap, the Press gets £19m worth, representing nearly 2 per cent of its total advertising revenue and 3 per cent of its display total. Worst hit by a cigarette advertising ban, said the magazine, would be the weekend colour magazines, for whom tobacco products represent an estimated 8 per cent of income, and posters.

On a MEAL basis, the most *heavily advertised* brands are at present Wills Embassy No. 1 King-size (£2.2m), Benson and Hedges Special Filter (£2.1m) and B & H Silk Cut King-size (£2m).

● CHARLES BARKER Recruitment has won the British Gas Corporation's national recruitment account, *worth some* £500,000. Meantime, Charles Barker ABH International, which includes the Charles Barker Group in London, has bought a minority shareholding in the *GMC agency in Paris*, which bills the equivalent of $9.8m.

IRONICALLY, A REPORT SEEKING TO EXONERATE CIGARETTE ADVERTISING MAY HAVE HELPED CONDEMN IT

Tobacco: how not to play a hand

BY MICHAEL THOMPSON-NOEL

IS THE Government moving towards a tough new crack-down on cigarette advertising or not? This week, representatives of the tobacco industry and officials at the Department of Health met for a second round of talks on the arrangements that will govern cigarette advertising and promotion once the present three-year agreement lapses (it runs out in ten weeks' time, though no deadline has been set for its replacement).

The mood at Tuesday's talks cannot have been helped by the publication that day of a report that states quite firmly that study of a 20-year period yields no worthwhile evidence to link the level of total cigarette advertising in Britain with total *consumption of cigarettes.*

The report is the work of the Metra Consulting Group. It cost £30,000 and was commissioned by Imperial Tobacco and Gallaher.

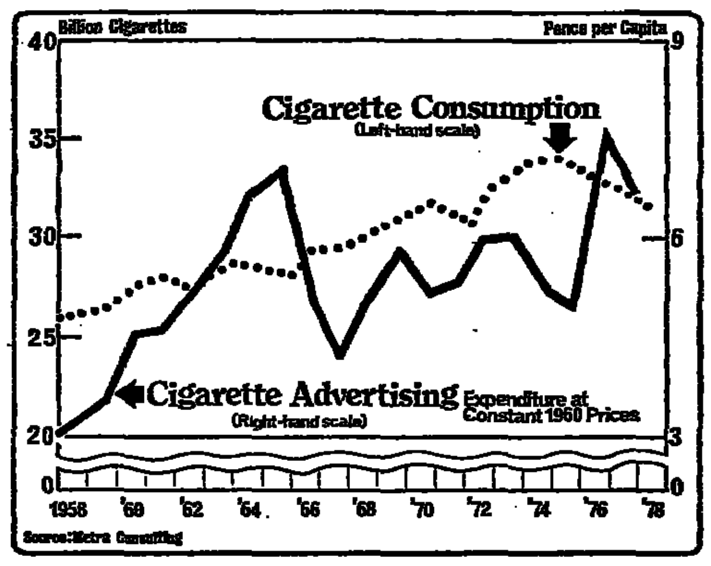
By way of introduction, Metra says the study took a "long, hard, statistical look at cigarette consumption in the UK over the 1958-78 period and could find no evidence that the level *of cigarette advertising* had had any measurable effect on the total consumption of cigarettes over that period.

"This suggests, therefore, that banning cigarette advertis*ing (a measure which some* Scandinavian countries have recently taken) would not be an effective way of reducing cigarette consumption in this country."

Most reactions were predictable in the extreme. On behalf of the tobacco industry, the Tobacco Advisory Council said the report strongly supported the tobacco industry's view that cigarette brand advertising did not affect total cigarette sales but did affect consumers' individual choice of brand. The tobacco industry, said the TAC, had the right to advertise if it was to compete in a "normal, free, commercial way, and maintain its competitiveness both at home and abroad."

ASH (Action on Smoking and *Health*), *the main* anti-smoking pressure group, lambasted the study as "deliberately misleading propaganda, a real nonsense document."

But what may have surprised the tobacco industry was the reaction of the Department of Health and Social Security. It felt its name was being taken in vain. Doing nothing to disguise his exasperation, a DHSS official virtually implied that Metra's statistical exercise was damagingly beside the point.



The report, said the DHSS, "does nothing at all to soften the long-term medical and De*partmental view that smoking is* harmful to health."

There is deep irony in this. The sponsors of the study (Imperial and Gallaher) could well argue that it is a serious response (indeed the only response) to the White Paper on Preventive Medicine of 1977 which said that more research was necessary before considering the advisability of new advertising restrictions.

According to Metra, the study involved more than 40 separate statistical analyses. The measurable factors which Metra considered relevant and statistically acceptable sought to relate sales *per capita* to a combination of:

● Average cigarette prices in real terms, with an allowance made for the value of coupons.

● Personal disposable income per capita in real terms;

● Advertising expenditure per capita, deflated by either rate card indices or the RPI;

● Government anti-smoking advertising expenditure;

● A variable reflecting the importance of coupons in the manufactured cigarette market, and

● Cigarette sales in the immedi*ately previous quarter and* in the same quarter of the previous year.

The effect of total advertising expenditure on sales was found to be "statistically insignificant." So was anti-smoking expenditure. So were incomes. The price of cigarettes, on the other hand, in real terms, was found to be the "most consistent, stable and statistically significant explanatory variable."

Unfortunately, in seeking to isolate the effect of advertising on sales, the sponsors of the study have walked into two distinct traps. One was to address themselves to advertising but ignore other variables in the sales equation. These, as catalogued both by ASH and the DHSS, include sponsorship of sport and the arts by the tobacco companies; the role of cigarette advertising as it affects children and the young; the recent, rapid growth in general health awareness; and changes in public attitudes towards smokers and smoking.

A particularly damaging omission is any attempt to analyse consumption patterns *among young smokers* as related to advertising expenditure. Metra says the data available was statistically unacceptable, but such a stance has infuriated the health lobby.

The second trap the sponsors appear to have walked into is to misunderstand the true nature of complaints against tobacco advertising. ASH does not accept the report anyway; but it was at pains this week to stress that its greatest single objection to cigarette advertising is that so long as it continues, it maintains and encourages the social acceptability of smoking on the one hand while undermining attempts at health education on the other.

The report's finding that price is the key determinant in *bolstering or deflating* sales expansion has also been seized upon by the health lobby as a green light — *if a green light were needed* — for the Chancellor, Sir Geoffrey Howe, to introduce regular and severe tax increases as a means of depressing sales. (It should be noted that ASH does not seek a total prohibition on sales of cigarettes.)

All in all, this has been a bad week for the tobacco business. It may have thought it had harnessed what ASH calls "dazzling mathematics and computer science" to the task of suppressing the notion that promotion, or at any rate advertising, aids total sales.

But instead of dampening controversy, it has stoked up the fire.

Technical News

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● PROCESSING

Unwanted fluids removed

SIGNIFICANT economies can be made by the effective removal from soluble cutting oils of lubricating and hydraulic oils, sludge and other liquid contaminants such as are used in machine washing fluids.

A new machine for removing these unwanted fluids has been *introduced* by Engineering and General Equipment.

Simplicity is the hallmark of the new unit which is reliable and low in cost. By wiring its motor into the control circuit of the *machine tool to which it* is applied, it can also be made to start and stop automatically. Consequently, the separator need never be touched other than for putting, annually, a few drops of oil in the *bearings* of its electric motor.

It has a pair of parallel horizontal rollers over which runs an endless oleophilic belt made of pvc. The upper roller is driven by the motor, while the lower one dips in the fluid to be decontaminated. As the belt rises it rejects the water-based fluid and attracts and drags contaminant up with it. Immediately after passing over the top roller, the contaminants are removed from the belt by a scraper.

From this they drop into a chute and thence into either a drum or a disposal system.

Initially, the machine is being made in two sizes—with belts 80 mm or 280 mm wide—though larger ones can be supplied. Normally it is mounted on a wheeled stand, for ease of movement from machine-to-machine. Because its rollers are of small diameter, it is suitable for the cleansing of fluids in the shallow collector trays or channels used on machine tools.

Much larger skimmers, of a different type, are also available from this company, for applications ranging from large soluble oil sumps and *tanks to mill scale pits.*

The primary benefit offered by the new oil separators is a reduction in operating costs by significantly increasing the useful lives of both the fluids *that it decontaminates* and the tools used. Apart from this, however, the cost of the installation can be recouped in many instances in less than two years simply by the sale of the oil *that it has skimmed off.*

Another benefit is the removal of the risk of staining the machined product: this property has already reduced rejects in the plant of a major aerospace *manufacturer.* A large *motor* vehicle producer, on the other hand, has adopted it on account of the overall economies obtained.

Engineering and General *Equipment, Eley Estate, Edmon*ton, London N18 3DB (01-807 5566).

● SERVICES

Brokers' network

FOR SEVERAL years, two services have been available to brokers operating on the London Stock Exchange to automate the running of their portfolios. They are National Westminster's Centre-File and SCAN.

The latter, which also happens to be the earlier of the two to come into service, has now been taken over by the British Petroleum service company, Scicon, after a period under the auspices of the French-controlled organisation GSi (UK).

Scicon will neatly fit the operating of SCAN, which has always been Univac equipment based, into its forward plans for new and largest Univac machines. *And since* GSi apparently has no plans to expand along a Univac route, the move makes sense for both groups. At the same time, Scicon is understood to be particularly interested in the UK scientific and technical database service which GSi has been setting up in a move to compete with the many transatlantic services now available.

Scicon expects to have SCAN fully integrated with its own service operating from the Milton Keynes base by the end *of this current year.*

Scicon, Brick Close, Kiln Farm, Milton Keynes MK11 3EJ. 0908 565858.

● COMPONENTS

Wheels of industry

WHEELS FOR industrial use are usually built with the tyre permanently bonded direct to the cast iron or steel centre. A tyre bonded to a separate steel rim which is pressed hydraulically on to the wheel centre—so it can be removed and replaced when necessary—is incorporated in a range of four standard, heavy duty *wheels from HMC-Brauer,* Dawson Road, Mount Farm Estate, Bletchley, Milton Keynes, Bucks (0908 74022).

Load carrying capacity on the new range is up to 8 tonnes per wheel, depending on diameter (either 380 mm or 460 mm) and tread width (75 mm, 100 mm, or 125 mm). Hard wearing polyurethane is the recommended tyre material for which these figures are quoted, as it lasts about 10 times longer than rubber, says the company, has a higher weight-carrying capacity and does not mark the floor. Lower-cost rubber tyres can also be supplied, however, in both standard and anti-static versions.

Various bearing options are available, including taper roller and ball or, alternatively, a plain bore can be specified with or without a keyway. Hub width is 90 mm, and axle diameter is either 50 mm or 60 mm.

Measuring pressure

AVAILABLE FOR the measurement of pressures from zero to 100, 200 and 500 bar is a transducer from Hottinger Baldwin Messtechnik which has a built-in signal amplifier, allowing direct two wire connection with indicating instruments.

Pressure sensitive element is a vapour-deposited thin film strain gauge giving stability and accuracy of 0.5 per cent. The device produces a current of 20 mA full scale and when no pressure is applied the output is 4 mA, *allowing systems to be* checked easily. Being a current output device, it is unaffected by the length of connecting cable, temperature variations, and the input voltage, which can vary between 15 and 50 volts.

Entire construction is from stainless steel giving a total weight of 650 gms. Designated P7, the unit is mounted on a M20 x 1.5 threaded pressure connection to DIN 16 288.

The transducer is available in the U.K. and Republic of Ireland from Carl Schenck (UK), Stonefield Way, Ruislip, Middlesex HA4 0JT (01-841 5121).

● DATA PROCESSING

Keeping control of cash and kitchen

FOLLOWING THE initial euphoria—and subsequent scepticism—of the advent of the micro chip in the 1970's, the effect of electronics on the manufacturer and customer over the last three years has gone a long way to changing the face of the retail market.

The efficacy of an electronic cash register, installed in a re*tail outlet a few* years ago, was completely wasted on staff who were not sufficiently educated to its powers or able to extract its money's worth in terms of performance and results.

Now comes a desk or bar top brain which can be a loyal friend to the most flappable Manuel in an ultra-Fawlty Towers establishment . . . the L45 series of Sweda International electronic cash registers. In, say, a hotel environment, it will produce information for kitchen staff, waiter, customer, proprietor and book-keeper, all at the touch of a switch.

Apart from its guarantee of security (nothing will be sent up from the kitchen which has *not* appeared in print, and no cash can be removed from the till because of its running total control) the L45 will, at the end of the day, record how many vichysoisses, pates, steaks, *bottles of wine, etc.*, have been consumed, as well as a breakdown on receipts from customers in the way of cheques, credit card transactions, cash, etc.

A guest can buy a drink in a cocktail bar, take a sauna or use the hotel sports facilities, all of which are recorded on individual registers and, at the same time, duplicated on a register in the reception area. The L45 is described as having 999 price look-ups and controls up to 16 cashiers.

Applications for the series—which are much more than sales registers — include garages, petrol stations, hardware and DIY outlets, take-away food *centres and department stores.*

Suggested as a management tool, able to provide cash control and security tailored to the needs of each individual user—achieved by its programmable manager authorisations for highest security functions, programmable cash-in-drawer limit, previous balance or cheque number entry requirements for more accurate posting and programmable tender limits — it promises to provide many different types of retail environments with a more flexible and powerful electronic cash register than has ever been available before, says the company.

Sweda International, 27 Gos*well Road, London* EC1 (01 253 3090).

DEBORAH PICKERING

Type faces read on demand

IN FEBRUARY, British industry will have an opportunity to see a demonstration of a new American machine capable *of reading any mix* of typefaces and converting printed or typed matter automatically into stored data.

The equipment was originally *designed to read books aloud* for the blind, and a £25,000 early version of this machine was recently installed at the St. Dunstan's headquarters.

The new model, however, is likely to cost £75,000 and will have many industrial and commercial applications. Its accuracy has been increased to the point where it is claimed to be completely reliable for use in reading existing material and feeding this directly into word processors, computer files *or library catalogues* or in converting it into new typeface settings for the printing industry.

In the U.S., immediate applications have been found in computer bureaux, Government *departments* and *industrial* libraries and also in solicitors' offices, where lengthy documents can be automatically accepted by a word processor without the need for a retyping *by the office's own secretarial* staff.

The machine scans a sample page of new material and displays on a VDU screen the words it has read. The operator can thus correct any of the machine's "misunderstandings," letter for letter. These corrections are "remembered" by the equipment for all future readings of that style of type.

It is said to take the machine no more than 30 minutes to learn a new mix of typefaces used in a catalogue or directory.

The equipment will be publicly put through its paces at the Turnkey Systems stand at the Information Management Exhibition and Conference at Wembley Centre from February 18 to 21. Further details of the exhibit are available through the IMEC organisers, Clapp and Poliak Europe, 232, Acton Lane, London W4 5DL. Telephone: 01-995 4806.

● SOFTWARE

Finds facts quickly

GOVERNMENT BROKER, Mullens and Co., has for the past two decades been developing progressively more powerful methods of extracting accurate information from vast masses of data. Essential to its work, both for successive governments and in its operations on British Government and equity markets, these database interrogation methods have culminated in the development of GENIE.

But this language differs from its predecessors *at Mullens* in that it was designed from the outset to be of use to other computer operators facing the same need as its originators, namely the extraction of information rapidly and accurately, with the system itself helping the user to find what he wants. Earlier search methods had been specific to the broker's own specialised requirements.

It is intended to work in as a complement to the IDMS database on ICL 2900 computers and has been adopted for marketing by Dataskil.

GENIE will set up reports and *analyses derived from the data*base and is simple enough to use to be immediately available to staff of all departments, including those not familiar with computer operating methods.

The English instruction set is easy to learn and statements and commands have been kept short. It is possible to call into GENIE programs routines which have *been written in other languages.*

The language can be used in prompt mode, where the user is not familiar with procedure; or it can be used interactively when the user *is able to indicate* directly what information he requires. In batch mode, GENIE will process jobs by itself.

User privacy is complete and amending source material simple and fast.

Mullens and Co., 15, Moorgate, London, EC2R 6AN. 01-638 4121.

● CONFERENCES

At sea in rough weather

THERE IS a growing need for onboard instrumentation aimed at providing ready information on ship motions, slamming, main hull stresses and sea conditions, says the Institute of Marine Engineers.

On February 21 the Institute is to hold a conference on the operation of ships in rough weather at its 76, Mark Lane, London, EC3, headquarters, when six papers will be presented and discussed. Among the topics will be a computer system which is being evaluated *in the Dutch container ship* Hollandia. This system was developed jointly by Lloyd's Register of Shipping and the National Maritime Institute of Holland.

Details of the conference can be obtained from the Institute (01-481 8493).

● DESIGNING

Creation of graphics aided

ANNOUNCED BY Tektronix are options improving the performance of the desk-top graphics unit and the TM500 family of test and measurement instruments.

By ordering the model 4054 desk top graphics computer with "Option 30" the user will be able to work directly with previously constructed, complete elements of a design project which can be anything from circuit schematics to engineering designs or landscaping.

Using basic language, the option allows the user to create and manipulate complex graphics quickly and easily—whole sections of a design—and then save it in a memory for instant recall at a future moment. Objects stored in this way says the company, can be displayed on screen up to 100 times faster than by drawing directly from a program. These "slabs" of graphics can be moved around the screen under program control or interactively by means of thumbwheels or optional devices such as a joystick or graphics tablet.

New plug-in for the TM500 test equipment family is the SG505 audio oscillator. Its frequency range extends from 10 Hz to 100 kHz and in the audio band 20 Hz to 20 kHz, covered by four overlapping button-selected ranges, the total harmonic distortion is less than 0.0008 per cent. Output is about three volts into 600 ohms.

More from P.O. Box 69, Harpenden, Herts (Harpenden 63141).

● AGRICULTURE

A peach of an idea

OUR Tel Aviv correspondent, L. Daniel, reports that a combine harvester for peaches has been developed at the Agricultural Research Organisation, Bet Dagan, Israel.

The machine, already used successfully under field conditions, greatly enhances the feasibility of growing peaches as an annual crop. Research has produced a special kind of peach tree planted at distances of one metre from each other and not allowed to grow higher than two metres.

At harvest time, the entire tree is cut off, not far above the ground and the cut plant renews its growth almost immediately and bears another crop during the following year.

The combine cuts the trees and lifts them to the top of the machine. The fruit is mechanically removed and deposited in receptables and the trunk, branches and leaves are ejected.

● CATERING

Sprays on the jelly

IN HOLLAND, a bakery machinery manufacturer has produced a machine for spraying jelly.

The machine, which is not *very large, is mounted on castors* and has a 30 litre storage tank, a pump (compressed air is not needed), hose and a spray gun. There is also a hot water system to keep the jelly at the right temperature.

It is stated that jelly, which may contain small pieces of fruit if required, can be applied to confections in varying thicknesses. There is no risk of burning and the unit which has been called the Jel-O-Mat has only to be connected to an electrical power supply.

Details of the equipment can be obtained from Machinefabriek van Zetten BV, Breeweg 31, 3075 LJ Rotterdam, Holland.

JOBS COLUMN, APPOINTMENTS

Consultant needed to safeguard democracy

BY MICHAEL DIXON

TODAY'S first job could be decisive in at least preserving Western-style democracy in an African country, which I have been asked not to name. At best, whoever takes the job could help to show other underdeveloped nations that this form of society is preferable to more totalitarian forms from which Western democracy has lately been taking such a battering.

The post, which has been brought to the Jobs Column by Derek Collins of the Fund for Research and Investment for the Development of Africa, is for a consultant to the country's development bank which now has the crucial task of investing increased funds in establishing the democracy on a sound economic footing. Industrial development is of course the primary concern.

The main responsibility of the newcomer, who will join initially on a two-year contract, boils down to making sure that the bank lends the money available to the right people for the right reasons. As well as working closely with the bank's chief executive, the consultant will have to co-ordinate the work of other advisers imported to provide specialist advice. These will mostly be on short-term assignments.

Mr. Collins says that candidates must have a demonstrably effective commercial "nose," as well as previous experience in identifying and furthering promising industrial projects. Awareness of the conditions of underdeveloped countries is, obviously, another essential and it is no use anyone's applying unless he or she has at some time lived and worked for a number of years in the Third World. Fluency in English is the only linguistic necessity and, given that, appropriately experienced applicants would be welcome regardless of their nationality. Age doesn't matter much, either. Relevant degree would help.

The salary will be around £15,000 tax free. There will be free housing, car, medical and life insurance, and family travel to the country in question.

Written applications only, giving full details of relevant experience, to Derek Collins at FRIDA, Grosvenor House, 141, Drury Lane, London WC2B 5TD; telex 27291.

To aid disabled

SECOND comes an opportunity for someone aged in the 40s who, having risen to senior management in industry or commerce, would like to change to a "helping" kind of job.

The recruit is needed to take over from Mr. R. N. Smith when he retires fairly soon after 17 years as director of the Queen Elizabeth's Foundation for the Disabled. Based in Leatherhead, Surrey, the foundation runs four main centres.

Two are in the Leatherhead area. The Queen Elizabeth's Training College there assesses disabled adults' possibilities and opportunities for working, and provides associated training. The nearby Dorincourt centre is a residential, "sheltered" workshop.

Banstead Place, also in Surrey, assesses handicapped school leavers and provides them with further education. The fourth centre, Lulworth Court at Westcliff-on-Sea, is for disabled holiday-makers and convalescents.

Taken together, these four usually have about 280 customers in attendance at any one time, and there are about 220 full-time and part-time staff. Expenditure in 1978 was £1.25m-plus, and while annual spending is largely covered by support from the European Social Fund, the Manpower Services Commission and local authorities, and the workshop's earnings, the foundation has to finance any balance.

It managed to raise nearly £247,000 in 1978, simultaneously cutting the cost of raising it from 26 to 17.5 per cent. This income, together with legacies amounting to nearly £76,000, was 31 per cent up on the 1977 total.

The 50-strong governing body appears to work through four committees—executive, finance and general purposes, appeals, and training. I note that the chairman of finance and general purposes is Lord Knutsford, a disabled person himself. Being one of his junior fellow-governors of another body (The Thomas Coram Foundation, which is the oldest children's charity in this country), I can tell you that he is not inclined to stand much nonsense.

Right then! Let's be having you . . . provided that you have made your mark in senior general management and are interested enough in helping the disabled, to be up to running the foundation in return for a salary of around £12,500 plus perks including car and help with housing in the Leatherhead area. It is an appealing landscape if you like a respectable hilliness with silver birch and pine trees. But I didn't take to it much—it's too prissy for a person bred in the Peak District.

Candidates should be married, and appreciate that the family will be affected by the job. Hugo Holmes, the recruitment consultant who is dealing with applications, would also prefer a graduate, though what on earth that might have to do with ability to direct the foundation, I can't imagine.

Inquiries to Mr. Holmes at Bull, Holmes (Management), 45 Albemarle Street, London W1X 3FE: telephone 01-409 2188 or 01-493 0742, telex 28506.

High hopes

IT SEEMED a flattering enough start to the day when a card arrived requesting "the privilege" of the Jobs Column's company at a reception. But the arrival of a note saying a Mr. Messiah was anxious to be telephoned raised a sudden feeling that the merits of the column and of its readers were at last being properly recognised. What sort of paragon would He be wanting to recruit? I wondered.

If the job was on earth, I felt confident that some reader would take it and do it well. But if the post were at headquarters . . . well, applicants might be somewhat sparse.

The worry was not only the rather inconvenient precondition that to work there, one has to be dead. I also know that this column's readers put a high value on good promotion prospects, and staffing policy in Heaven is rigidly bureaucratic.

According to St. Dionysius, there are nine predetermined grades rising from angels at the bottom, through archangels, principalities, powers, virtues, dominations, thrones, and cherubim, to the senior-ranked seraphim. I gather there is no possibility of promotion from one grade to another.

A lot would, therefore, depend on the level of recruit wanted, I thought.

It turned out that the note contained a slight mistake. "My name ends with 's' for sinner, not 'h' for holiness," explained David Messias from his office near London's Finchley Road station. It turned out also that he wants someone who has lost interest in the promotion rat-race.

The job is for someone aged around 50 or a bit more, willing and able to run the registration department of the firm of chartered accountants in which Mr. Messias is a partner. He has asked me not to name it, because of professional scruples about publicity.

The department looks after registration for about 500 private companies. With clerical assistant and secretary to help, the newcomer will deal with new company registrations, maintenance of statutory records, and all requirements of Companies' House. Salary at least £7,000.

Someone retired early after being involved in similar work as a company secretary or in an accountancy or law practice, is seen as ideal.

Inquiries to Mrs. Elizabeth Evans, Regina House, 124, Finchley Road, London NW3 5JS; Telephone 01-794 5611, Telex 261427.

Senior Investment Analyst

We are looking for an experienced equity Investment Analyst to assist in the management of the Company's UK Equity Portfolios. At least one year's relevant experience and appropriate professional or academic training are essential. Knowledge of the electrical or retailing sectors although not vital would be a distinct advantage.

The successful applicant will join a small team of young and enthusiastic specialists and work in an environment offering plenty of scope for personal development. A substantial degree of autonomy will be given to the right candidate, who will be expected to take part in daily decision making/trading as well as company and sector analysis.

Salary is negotiable. Fringe benefits are excellent and include a subsidized mortgage scheme.

Applications and brief career details to:—
E. W. McKnight,
Departmental Head,
Personnel Department,
Sun Life of Canada,
2-4 Cockspur Street,
London, SW1Y 5BH
Telephone No. 01-930 5400 Ext. 225

SunLife of Canada

CHIEF ACCOUNTANT/ COMPANY SECRETARY

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This is a rapidly expanding company which sells advertising time and provides related sales accounting and administrative services to a number of independent broadcasting stations throughout the country.

A qualified accountant aged up to 40 is required, preferably with at least two years experience in a marketing orientated environment.

Assisted by a staff of five, the successful candidate will take immediate responsibility for the entire accounting administration, including the preparation of management accounts to tight deadlines. He/she will also have considerable involvement in the evaluation of new business opportunities as well as the development of computerised systems.

Applicants should demonstrate commercial flair and be able to maintain effective liaison with clients and the company's own sales staff.

Applications under Ref. RC145 to: Peter Cox,
Extel Recruitment, 4 Bouverie Street, London EC4Y 8AB Tel: 01-353 5272

Extel Recruitment Executive Selection Consultants

Advertisement Representative

International Magazine devoted to art and antiques requires an assistant in the advertisement sales department. Enthusiasm more important than experience. Age 22-30. Driving licence. Knowledge of languages could be advantageous. Salary negotiable.

Write or telephone:
Anthony Law
Ad. Director
Apollo
22 Davies Street
London, W1
Tel: 01-629 3061

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Scope to become V.P. and to assume investment fund management responsibility.

CJA

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CITY OF LONDON **£12,000—£18,000**

LONDON OFFICE OF A LEADING U.S. BANK—GROUP FUNDS UNDER MANAGEMENT EXCEED US$ 10 BILLION

This is a new appointment calling for candidates aged 26-38 who have acquired a minimum of three years' practical experience in merchant banking or an investment house and at least one year's institutional fund administration experience preferably with some in discretionary management. Responsibilities will include carrying out investment policy across a range of existing and new client portfolios, participating and contributing to formal and informal investment policy discussions and control of the investment administration this work entails. The successful candidate must be of sufficient calibre to warrant vesting in him or her responsibility for discretionary fund management in the short-term. An excellent investment analysis support team exists. Initial salary negotiable £12,000-£18,000 + house mortgage facility, non-contributory pension, free life assurance, free family B.U.P.A. Assistance with removal expenses if necessary. Applications in strict confidence under reference FM 3963/FT, to the Managing Director:

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,
35, NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374

EMA

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Working in a small department, the Auditors will be responsible for a variety of in-company consultancy projects, systems reviews and operational audits. Travelling approximately 20% of the time in Europe, the Middle East and North America a substantial amount of time will be spent in total business reviews.

Our multi-million pound turnover client controls business activities throughout the world, predominantly engaged in shipping, hotels, insurance and natural resources. Applicants (male or female) aged 23-28 should ideally be qualified chartered accountants from major professional firms. Please telephone or write to David Hogg FCA quoting reference I/1924.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

CHIEF ENGINEER

Manufacturing and Engineering Operations — Western Home Counties

An acknowledged leader in the rapidly expanding field of Environmental Control Equipment seeks an exceptional Engineer to report directly to the Managing Director.

Base responsibility will be the profitable manufacture of a wide range of (mostly) heavy fabricated products. Along with the experience and personality to maximise the performance of a team of capable managers and up to 100 staff in a 4,000 sq.m. factory, your ability to control and develop manufacturing engineering, purchasing and materials control will be vital.

As production efficiency of the existing workload comes under effective control your responsibility will extend to include engineering of the product itself and in close liaison with sales and design to ensure that strict value engineering and customer requirements are observed at all stages. Strong background in engineering design and management is essential.

Candidates available to undertake these duties will probably be Chartered Mechanical Engineers (HNC, HND minimum) with over 10 eyars' experience who will have the ability to take-charge management and accepting full responsibility in a rapidly expanding Company. You will receive a top grade salary and benefits and the position allows for added growth within the Company.

Contact Mr. G. H. Vokes, Personnel Selection Associates, Norfolk House, Pannells Court, Guildford, Surrey.
Tel.: Guildford 65353/4.

Charles Barker
Confidential Reply Service

Please send full career details and list separately companies to which we should not forward your reply. Write the reference number on the envelope and post to our London office, 30 Farringdon Street, London EC4A 4EA.

Internal Auditor

W. London **c. £11,000 + Car**

Our client, a subsidiary of one of Europe's largest motor manufacturers, has a requirement for an Internal Auditor.

This is a senior position reporting direct to the Managing Director and will provide an important contribution during the growth and development of the Company's internal administrative systems, especially those related to financial and distributive control.

Applicants should have a grounding in data processing together with a knowledge of organisational and financial disciplines based preferably on an Economics or Business Degree. A minimum of 3 years professional post qualification experience is required. The emphasis will be on constructive review through wide-ranging personal contact, and therefore calls for a strong personality combined with a high degree of social skill.

Minimum age 35 years.

Salary will be negotiable and there will be a Company car.

Reference 1807

EMA

CHIEF ACCOUNTANT

Berkshire **£9000 + car**

Our client, a major and extremely successful public retail group, wishes to appoint a young chief accountant to a newly acquired subsidiary. With outlets throughout the UK and a turnover of £35 million, it is entering an exciting phase of development. The Accountant will report to the Financial Controller and manage a staff of around 15. Promotion prospects within the company or group are excellent.

With the emphasis on planning and forecasting, he or she can expect substantial involvement in the implementation of advanced computer based finance and management information systems. Applicants should be qualified accountants aged 25-28 from the profession or industry. Please telephone or write to Stephen Blaney B.Comm., ACA quoting reference I/1927.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

INVESTMENT MANAGEMENT

Due to continued expansion of business, a vacancy has arisen for an experienced Investment analyst in the Investment Department of the Standard Life Assurance Company in Edinburgh. There are prospects of rapid promotion to a portfolio management post.

The Company is the largest mutual life assurance company in the European community with funds in excess of £2,000m. In addition the Investment Department manages Pension Funds and unit linked pension and life assurance funds.

It is likely that the sucessful candidate will have had a minimum of five years' relevant investment experience in an insurance company, merchant bank, investment trust, stockbroking firm or similar institution.

Commencing salary will be based on qualifications and experience. The Company operates generous employee benefit schemes including Non-Contributory Pension and Life Assurance Scheme, Staff House Purchase Scheme, Dining Facilities, etc.

Please write or telephone for an application form to:—
The Staff Manager

Standard Life

3 George Street EDINBURGH EH2 2XZ. Tel. No. 031-225 7971

Tax Specialist

£9,000-£10,000 Surrey

Our client, a long established and leading mutual life assurance company, is seeking a Tax Specialist to strengthen its management team.

The work is varied and interesting, demanding a working knowledge of Income and Corporation Tax, CGT, Development Gains and Development Land Tax, and Double Tax Relief.

This is a new appointment which will be of interest to ACA, ACCA or FTII qualified persons interested in establishing their own framework in this vital function. Previous experience in insurance would be especially valuable and those under the age of 30 are unlikely to have gained the breadth of experience required. The location is North Surrey.

Commencing salary, in the range of £9,000-£10,000, is supported by a low interest house purchase scheme and other attractive fringe benefits.

Qualified candidates are invited to write with details of experience to:-

Ken Johnson, Executive Selection Division,
Southwark Towers, 32 London Bridge Street,
London SE1 9SY quoting MCS/3817
who will acknowledge receipt of your letter and then send it to our client.
List separately any company to which you do not wish your letter to be sent.

Price Waterhouse Associates

SENIOR BUSINESS JOURNALISTS

Prominent international business information service seeks experienced staff writers to join its London editorial bureau for coverage of Western Europe and the Middle East. Successful candidates will have a close knowledge of current business and corporate affairs, the ability to write lucidly, and the confidence to counsel senior executives of multinational corporations.

Applications indicating experience, qualifications (including languages) and special areas of interest should be directed to:

G. Holmes, Editorial Director
BUSINESS INTERNATIONAL
Banda House, Cambridge Grove, London W6 0LN

Export Finance Account Executive

for a fast-growing department of a City Merchant Bank. Supported by an Assistant, he/she will be responsible for a client portfolio from start to finish, arranging short, medium, and long-term supplier credits. The post will quickly lead to developing *existing and finding new clients and some overseas travel.*

Candidates, preferably aged under 27, must have all-round experience of Confirming House procedures and ECGD.

The remuneration package will be especially attractive to anyone with a mortgage.

Please write or telephone R. W. H. Lubbock, Personnel Director, Charterhouse Japhet Limited, 1 Paternoster Row, St. Paul's, London EC4M 7DH. Tel: 01-248 3999

CHARTERHOUSE JAPHET LTD
A member of the Charterhouse Group

BERMUDA ACCOUNTANT

Salary $27,000 **Age: Open**

Our clients, International Lloyds Brokers, have a vacancy in their Bermuda Offices for an Accountant qualified to ACA standard. The person appointed will have substantial experience in insurance or a related field and will report to the Senior Accountant. U.S.A. travel envisaged.

Initially, please reply in strictest confidence to:
Nicholas P. Moore, Associate Director, or Christopher D. Stock, I.P.S. Group. Tel: 01-481 8111, quoting ref. 43892.

F/X Brokers

London **Bahrain**

Our Client is Sarabex Limited, a well established and highly professional international firm of money brokers with successful and developing operations in London, Frankfurt and Bahrain.

Continuing expansion has created the need for additional experienced foreign exchange and currency deposit brokers to join the team in London and Bahrain.

Ambition and proven expertise are the essential ingredients for a successful career with this forward looking organisation where individual contribution and performance will be matched by highly competitive salaries and attractive fringe benefits.

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd

60 Cheapside London EC2 Telephone 01 248 3812 3 4 5

Group Chief Accountant

Shipping
c.£12,000 + car

The main emphasis of the work is on the interpretation of management accounts for the Group Board and the Directors of subsidiaries to assist them in improving control and profits. Responsibilities also include the control of an accounts department of over 30 people at Group Head Office and others elsewhere.

The Group is private with a turnover approaching £20 million from the provision of transportation and in particular the movement of goods by sea. There are plans for considerable expansion.

The accountant sought, preferably an ACA aged around 40. must have experience of shipping, computerised systems, and full financial control including cash management and treasury and taxation exposure. Based in South East London, there will be some UK and overseas travel.

Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write to A. C. Crompton quoting reference 863/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

OVERSEAS DEVELOPMENT

KNOW-HOW-vital to developing countries

Adviser
National Loans Board — Tuvalu

The Adviser will set up and manage the National Loans Board and train local officers with a view to the post of Manager being localised after two years. Applicants must have a Business/Commercial qualification. also experience in the administrative and policy areas of a small National Loans Board and a sound knowledge of accounts. Some knowledge of law desirable. Applicants should be prepared to live in an isolated community.

Appointment two years. Salary (UK taxable) £10.500-£12,000 p.a. according to qualifications and experience. In addition a variable tax-free oversea allowance in scale £1,365 to £3,590 according to domestic circumstances. (Ref. 328.D.)

The post is wholly financed by the British Government under Britain's programme of aid to the developing countries. In addition to basic salary and overseas allowances other benefits normally include paid leave, free *family passages, children's education allowances and holiday visits, free* accommodation and medical attention. Applicants should be citizens of the United Kingdom.

For full details and application form please apply, quoting reference, stating post concerned, and giving details of age, qualifications and experience to:—

Appointments Officer.
OVERSEAS DEVELOPMENT ADMINISTRATION.
Room 301. Eland House.
Stag Place. London SW1E 5DH.

ODA **HELPING NATIONS HELP THEMSELVES**

DEPUTY COMPTROLLER

VIENNA, AUSTRIA

United Nations Agency operating in the Middle East and having an annual budget of approximately US$ 180,000,000 expended on relief, health and education services for Palestine refugees seeks a Deputy Comptroller (male or fmale) for its Department of Finance and Administration based in Vienna, Austria. The successful candidate for this senior post must:—

(A) have a university degree (preferably with major in accounting or business administration);

(B) be a member of a recognised accountancy body;

(C) have a least 10 years' experience in finance and administration reflecting good progression in level and scope of responsibility to positions at a senior level with several years of experience at this level;

(D) have an excellent command of written and spoken English.

It would be advantageous to possess a master's degree in accountancy or business administration, experience in supervision of eletronic data processing and/or supply and transport operations and to have a working knowledge of French, German or Arabic.

For application form and full details, including salary and allowances of approximately US$ 59,000 (net of tax), send a brief letter or card to:—

Director of Personnel (EVN/11/79)
UNRWA HQ (VIENNA)
Vienna International Centre
P.O. Box 700
A-1400 Vienna
AUSTRIA

FEDERAL REPUBLIC OF NIGERIA

VACANCIES

Applications are urgently invited from qualified candidates to fill vacancies in the following fields:—

(i) (a) TEACHING POSTS in Secondary Schools and Teacher Training institutions.

(b) QUALIFICATIONS REQUIRED: Candidates should possess a degree from a recognised University in Mathematics, the natural Sciences, Geography, English, Technical subjects, or Education. In the case of graduates in the basic subjects, the possession of Post Graduate Certificate in Education or teaching experience will be an advantage.

(ii) (a) MEDICAL POSTS in Specialist Hospitals, Health Centres both in Urban and Rural Areas.

(b) QUALIFICATIONS: Candidates should be Doctors with *qualifications registrable for practice in the UNITED* KINGDOM. Non-Nigerians should have finished their housemanship and should be able to work on their own, as much as possible, with minimum supervision.

(iii) (a) ENGINEERING (MECHANICAL, CIVIL, ELECTRICAL AND ELECTRONICS), ARCHITECTURE, SURVEYING.

(b) QUALIFICATIONS: Candidates should possess a degree or equivalent professional qualification registrable by the appropriate professional body in the United Kingdom. Non-Nigerians should have completed two years' post-graduate pupillage. They should have good field experience, should preferably be able to handle project works of a reasonable size and be able to train junior staff.

All appointments will be to the Civil Service in Nigeria and the salaries offered will be in the range of N3,564 to N8,052 per annum (entry points depending on qualifications and experience). There are also promotion prospects for those who are enterprising and industrious. Non-Nigerians will be appointed on contract for a number of years at a time, with contract addition and gratuity in addition to the salaries quoted above. Besides, there are generous fringe benefits with the jobs.

Interested candidates should collect, write or phone for an Application Form from:—

THE NIGERIA HIGH COMMISSION
9, NORTHUMBERLAND AVENUE, LONDON, WC2N 5BX
Tel: 01-839 1244. Ext. 106

Completed Application Forms should be returned to the same address not later than 15th February, 1980.

EUROBONDS IN MERCHANT BANKING

Our client is a leading City merchant bank. As a result of recent legislation and the bank's principal position in the international financing world, it is seeking to develop its Eurobond facility.

Applications are invited in strictest confidence, from senior executives with well-established reputations in the following main areas:

★ BUSINESS DEVELOPMENT
★ TRADING
★ SYNDICATION

The positions that are available will involve the successful applicants not only in being able to utilise the prestigious name of this bank but will also allow *involvement in the direction of the Eurobond* business.

Salaries are negotiable but excellent experience will produce attractive offers.

For furthr discussion, write to or telephone
DAVID CLARK. F.C.A.
Ref: 5003

David Clark Associates
4 New Bridge Street, London E.C.4
Telephone: 01 353 1867

Group Managing Director

Consumer Marketing, c.£25,000

Our client is a rapidly growing, highly profitable U.S. multi-national Group marketing superb quality consumer products on a world-wide basis. Present markets are being further developed and new businesses established in additional European countries.

This appointment results from the promotion of the present incumbent and the new Group Managing Director will be responsible to the International Vice-President of the U.S. parent corporation, in particular for:

- Profitability of U.K. and certain European operations
- Management of a highly competent and specialised management team
- Development of innovative and creative marketing plans.

Based in London the organisation is demanding, fast moving and offering real scope for achievement.

Candidates should be close to a 35-45 age range, highly numerate and possessing a successful general management background with a strong marketing bias.

The task is fundamental to the success of the Group and will be reflected in the remuneration package, which is negotiable around £25,000 with some extremely attractive additional benefits.

Applications, addressed to Dr. P. M. Tomkins, giving details of career to date, age and salary history should be sent to the address shown below quoting reference G/119/FT on both envelope and letter.

R. J. SILVER & ASSOCIATES LIMITED
Management and Recruitment Consultants,
23/24 Great James Street, London WC1N 3ES. Tel: 01-242 9172

Group Management Accountant

(General Management Opportunity)
Near Chester • Not less than £12,500

He or she will be a Chartered Accountant of 35-40 who must have had modern management accounting experience at senior level from a manufacturing company or group whose computerised financial information systems are highly developed. They will have made significant contributions to commercial developments and profit in assisting line managers to interpret and use the data provided.

This medium-sized Company has a progressive record which is largely attributable to dynamic, disciplined management and control, and the skilful development of a number of profit-accountable business activities. Reporting to the Managing Director, the G.M.A. will work closely with senior management to help improve profit performance and will further develop the information systems provided. Success should lead to general management responsibility for a profit-accountable sector of the business.

Candidates must be able to demonstrate the breadth of business acumen necessary for general management; their style must be disciplined and fully committed. Salary negotiable as above, plus car, contributory pension, and removal help to a pleasantly rural area.

Please write briefly and in confidence showing how you meet these requirements to H. C. Holmes, Bull Holmes (Management) Limited, 45 Albemarle Street, London, W1X 3FE.

Bull Holmes
PERSONNEL ADVISERS

Northamptonshire
Industrial Promotion Unit

Appointment of DIRECTOR

The formation of the Northamptonshire Industrial Promotion Unit is a unique undertaking involving the Northamptonshire County Council, the Northamptonshire Chamber of Commerce and Industry and the Northampton Development Corporation. The objective of the Unit is to help the development and expansion of industrial and commercial enterprise in the County. The Director will be directly responsible to the chairman of the parent group for the development of the Unit's work programme.

Candidates should have experience of a managerial position with both profit and planning responsibility. They must be capable negotiators and have the ability to identify a viable business project whether an original venture or the development of an existing business.

The post will be of interest to those currently earning over £10.000 per annum. An appointment by secondment is not precluded.

Interviews will be held during February. Details of the post and other information are available from the Chief Executive, Northamptonshire Chamber of Commerce and Industry, The Avenue, Cliftonville, Northampton NN1 5BG, telephone (0604) 22422.

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project managers product managers (M. or F.)

for leading financial institution.

This is a career opportunity for experienced personnel with good business approach to management problems. Accounting and/or systems background are a major advantage, but creativity, leadership, and sound judgment are critical.

Job emphasis and responsibilities will be on the development and implementation of new operational services, from conception through development, marketing and follow-up. Economic evaluations are integral part of job description. Senior management contact will be frequent.

Belgian or other EEC country nationality preferred.

Age 28 to 40. Location: Brussels.

Salary: over pounds 20.000 - BF 1.200.000.

Write to Universal Media, chaussée de La Hulpe 122, B-1050 Brussels, who will forward confidentially. Please mention reference /409 on the envelope.

UK TRADING SUBSIDIARY

OF MAJOR SOUTH EAST ASIAN CONGLOMERATE

requires experienced senior accountant for financial reporting, PAYE, VAT, *invoicing, budgeting, cash flow forecasting, credit and* collections and accounting systems development.

Applicants should have at least 10 years of accounting experience, be capable of handling all accounting tasks from the ground up and be comfortable in a dynamic high growth situation. Qualified or part qualified a major plus. Salary package commensurate with experience and potential.

Please reply in confidence with C.V. to Brisk & Kindle Ltd., 87 New Cavendish Street, London, W.1.

FINANCE AND ADMINISTRATION

Our clients, an international construction company require an experienced Finance and Administration Controller for an overseas position. Applicants should have appropriate experience in the aforementioned. Competitive salary, plus accommodation and allowances. *Applications should be sent to, or phone:*

CHANDOS EMPLOYMENT CONSULTANTS
87-89 Aldgate High Street, London, E.C.3. 01-488 9373

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

A few of our more urgent current assignments:—

CHIEF BOND TRADER, Paris	equiv £20,000
EUROBOND EXECUTIVE, London	c£20,000
EUROBOND ADMINISTRATION	to £8,000
CHIEF DEALER/FX MANAGER	c£15,000
FX DEALER, FORWARD	c£15,000
A.V.P. LENDING (Energy Related)	£15,000
A.V.P. LENDING (Middle East Africa)	c£15,000
EXPORT FINANCE (Based in Europe)	c£15,000
SENIOR LOAN ADMINISTRATION (Spanish/Portuguese language)	to £10,000
CREDIT ANALYST	to £8,000
TRAVELLING AUDITOR (Africa)	£9-11,000
SENIOR ACCOUNTS (International Banking)	£7-10,000

For further details, please contact ROY WEBB or BRIAN GOOCH

First floor - entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

Senior Management Consultant

Remuneration Package circa £18,000

Our clients operate in a tough and competitive international environment across a diverse range of activities. To assist improvements in performance, they have a well-established and respected team of management consultants to support line management on in-depth analysis of the Company's policies and practices.
However, an increasing demand for the team's services to help improve productivity together with the promotion of existing consultants to senior management positions within the Company, makes further recruitment necessary.
The requirement is for a high-calibre senior consultant who has wide experience of applying a range of management disciplines and techniques and who can quickly contribute to the corporate improvement strategy. Candidates from a variety of basic disciplines will be considered but a background in marketing/sales, finance or engineering would be particularly relevant.
Successful candidates ideally will be in the age range 33-38 and will possess a business degree or equivalent professional qualification. Previous experience of working in a major consultancy or within a large organisation is required. The potential to move eventually into *senior line management is also of prime* importance.
The remuneration package is attractive and in keeping with the nature of the position. In addition to a high basic salary, there are excellent fringe benefits which include a first-class pension scheme, use of a company car and other generous concessions. The location is in the Home Counties.
Please send your curriculum vitae in strict confidence to P. G. Hyson at the address below or write for a personal history form quoting reference number 331/FT.

Lunan
Management Selection Division

T.D.A. Lunan & Associates Limited,
1 Old Burlington Street,
London W1X 1LA
Tel. 01-437 2515/01-734 4777.

QUALIFIED ACA?

BECOME A BANKER

SALARY GUIDE £8,500

Our client is a major commercial bank with an international network of branches, mainly in the *third world. They have a* vacancy in their London head office for a young accountant with at least a year's post-qualified experience to whom they can offer excellent banking career prospects.

Initially you would join an audit team, examining UK accounts, appraising business systems and monitoring operating methods in Britain.

Two years in this role should provide you with a good introduction to the bank's business, and you would then be offered the opportunity of joining a specialist banking department. The bank's training facilities are outstanding, and you would be eligible for a range of fringe benefits which includes an immediate mortgage subsidy.

Call Susan Cook on 01-588 3255

Alison Harding Limited
BANKING RECRUITMENT UNIT

SENIOR F/X DEALER

Expanding International Bank

Our Client is looking to develop significantly its foreign exchange and treasury activities in the 1980's.
An essential ingredient in this development is to be the recruitment of a mature and accomplished senior dealer, ideally aged 27-32. Suitable candidates will possess several years' all-round experience, but preferably with a current emphasis upon spot and forward exchange trading.
This represents a truly demanding and challenging career opening which offers considerable scope for personal development with an *organisation of stature, together with a highly competitive five* figure salary.

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd
60 Cheapside London EC2 Telephone 01-248 3812/3/4/5

PROJECT FINANCE

Based in Hamburg

We are looking for two young international *bankers to join an expanding team responsible* for negotiating the Bank's syndicated Eurocurrency loans and arranging multinational *project finance packages in Asia.*

The ideal candidates are likely to be graduates who have already gained some years' practical *experience in the fields of syndicated Euro-*currency loans and export credits, with either a merchant bank or a major international bank. *Experience of commercial lending and loan* administration would also be useful.

They will be familiar with a wide range of loan documentation and should have the experience and personality to negotiate and arrange Eurocurrency credits as members of a close-knit team. Willingness to travel is important; knowledge of German would be useful.

The offered compensation package will be attractive and will include fringe benefits, social security and pension plan. Removal expenses *will, of course, be met.*

Qualified applicants are invited to apply, in strictest confidence, by sending a full curriculum *vitae to:*
Chief Personnel Manager
European Asian Bank
Rathausstrasse 7, 2000 Hamburg 1, Germany

European Asian Bank
HAMBURG · BANGKOK · HONGKONG · JAKARTA · KARACHI · KUALA LUMPUR · MANILA · SEOUL · SINGAPORE

YOUNG ACCOUNTANTS

Newly qualified A.C.A. Major British engineering group (£450 million turnover) seeks Management Accountant. Exceptional potential in entrepreneurial and financially orientated environment. c £8,400

Part-qualified A.C.C.A. or A.C.A. Publishing Group (£80 million turnover) seeks Management Accountant to work at Group level on financial planning, budgeting and consolidation, again exceptional promotional prospects in highly diverse financial based group. c £7,500

To hear more contact David Barton at Overton Shirley and Barry (Management Consultants) 2nd floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Tel: 01-353 1169-1884. Evenings *and weekends 044486 344.*

FINANCE COMPANY

REQUIRES A MANAGER

(preferably recently retired) to [illegible] up and administer its newly [illegible] Retail Finance Division, which specialise in short-term [illegible] lendings in the Southern [illegible]. Terms include profit [illegible].

Write Box A.7014, Financial Times, 10 Cannon Street, EC4P 4BY

Financial/Planning Systems Development

Aylesbury **to £10,000**

Our client forms the Headquarters of one of the worlds most successful marketing and manufacturing organisations. They are currently developing new computerised financial and resource systems for all aspects of the groups European business planning, and require a number of young Business Systems Analysts.

You will be closely involved in the creation of new analytical programmes to streamline reporting procedures, from system specification through to implementation.

Ideally a numerate graduate, and probably a qualified accountant, you should have gained practical experience in computerised finance systems, or for example operational research, using high level language programming/modelling techniques.

Ambition, self motivation and commercial acumen will be essential personal attributes within this challenging, high technological environment.

Please telephone or write quoting ref RG 2891.

Lloyd Chapman Associates
123, New Bond Street, London W1Y 0HR 01-499 7761

Charles Barker Confidential Reply Service

Please send full career details and list separately companies to which we should not forward your reply. Write the reference number on the envelope and post to our London office 30 Farringdon Street London EC4A 4EA.

International Management Systems Consultant

An experienced executive with the ability to diagnose all aspects of company operating and control systems is sought. The executive will join a head office management team, reporting to the Managing Director in charge of the overseas activities of a successful U.K. Group, active in the industrial and construction plant industry in Europe, North America, Africa and Australia.

The job will entail thorough study of the management organisation and systems in each subsidiary, covering the accounting, sales and production functions. With this background, the auditor will be expected to recommend and assist in the implementation of changes in:

- procedures, to harmonise practice throughout the Group
- *equipment and procedures to improve efficiency*

The ability to perform these tasks must be coupled with a facility to summarise and explain complex subjects, both verbally and in writing, concisely and effectively.

The position calls for a willingness to travel and to spend a major part of the year overseas on assignments lasting from 3 to 8 weeks. The applicants should have an accounting or computer systems background combined with managerial or administrative experience in a complex engineering industry environment. A management consultant with such a background would also be suitable. Ability to speak French or Spanish is an *advantage.*

Salary is commensurate with the responsibilities of the job; benefits include a car and the opportunity to join the Group's transferable contributory pension scheme.

Ref. 1610

QUALIFIED ACCOUNTANTS
Corporate Finance

Scotland's largest Bank requires two young Accountants with at least two years post qualifying experience, preferably including taxation, for its Corporate Finance Division in Edinburgh.

The principal responsibilities of the positions respectively are:-

1) The preparation of management and statutory accounts, taxation, consolidations, forward planning and cash forecasting in respect of leasing subsidiary companies.
2) To assist with the credit assessment of applications for development finance and subsequent monitoring and administration of loans granted, also preparation of statutory *accounts for an investment/ development finance subsidiary.*

Salaries negotiable. Other benefits include a non-contributory Pension Scheme and attractive House Purchase facilities.

Applications and enquiries stating age, qualifications and previous experience should be made in writing to:-

JS Begg Esq
Assistant Staff Manager
The Royal Bank of Scotland Limited
P.O Box 31
42 St Andrew Square
EDINBURGH EH2 2YE

The Royal Bank of Scotland
You'll get on better with us.

Corporate Planning Manager

c £12,000 + Car

Chemicals **Home Counties**

Our clients, a well known international Speciality Chemical Group seek a Corporate Planning Manager. The group operates world-wide and its main business is the provision of top quality performance chemicals and systems for application in the field of surface technology. The group has enjoyed remarkable expansion over recent years and further growth *is planned.*

Reporting to the Group Chief Executive, the candidate appointed will be involved in the development and coordination of planning functions at corporate level and also in some project work. Ideally, candidates should have a degree in Chemistry or other relevant discipline, and have an M.B.A. or equivalent business qualification and significant practical experience, preferably in the chemical industry. Preferred age: early thirties.

A starting salary will be negotiated around £12,000 and fringe benefits will include a company car, membership of the Group Pension Scheme, and B.U.P.A. participation. Assistance will be given with relocation where necessary. Promotion prospects within the group are excellent.

Applications are invited from men and women, who should write in confidence to Charles Rich or telephone (24 hour answering service) for a personal history form quoting reference R/219/7.

The P-E Consulting Group Appointments Division PE
1 Albemarle Street, London W1X 3HF Tel: 01-499 1948

REGIONAL MANAGER

NEW BUSINESS - INDUSTRIAL FINANCE

City, up to £8500 + Car

Alex. Lawrie Factors, market leaders in the field of sales finance, are looking for a Regional Manager to work from their London office, specialising in the *marketing of their undisclosed facilities.* The person appointed will be responsible for the follow-up of enquiries in London and the South and negotiation and assessment of potential client companies.

Formal qualifications are less important than proven success in the field of industrial finance. The ideal candidate will probably be aged between 25 and 35 and one of the most important assets must be enthusiasm and initiative in dealing with people at all levels of seniority.

The usual range of large Company benefits apply.

If you would like more details or an application form please write to:—

Mr. M. J. Parsonage,
Personnel and Training Manager,
Alex. Lawrie Factors Limited,
P.O. Box 12, Banbury, Oxon. OX16 7RN.
Telephone: Banbury 4491.

Alex Lawrie Factors Ltd.

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

SENIOR LENDING to £20,000 p.a.
A small international bank is seeking to strengthen its lending team at senior level. Reporting to the Senior Vice-President, the position involves responsibility for the Middle East and Africa – experience in these areas is essential and other requirements include formal credit analysis and documentary credits. Applicants, aged between 30-45, should be able to travel and ideally, be fluent in French or Arabic.
Please contact BRIAN GOOCH

FUND MANAGER
Our client, a leading financial institution in the City, wishes to engage a senior Portfolio Manager.
The ideal candidate, aged around 30, with a degree or professional qualification will have 2-3 years' fund management experience with a merchant bank, stockbroker or insurance company. A broad range of equity exposure is desirable and knowledge of Far Eastern markets, though not essential would be useful.
There is an attractive remuneration package including mortgage subsidy and an excellent non-contributory pension scheme.
Please contact KEN ANDERSON

SYNDICATION OFFICER £11,000 neg + car
A major North American bank seeks to appoint an experienced Syndication officer. The ideal applicant will probably be aged 28/32 with a sound general banking background before moving into the international section. Credit analysis experience is preferable but more importantly the candidate must have an in-depth understanding of Eurocurrency syndication principally gained within a lead bank. Responsibilities will involve negotiation *and documentation of eurocredits with a bank which has an ultimate* commitment to act as Lead Manager. Proven contacts in this area are therefore essential. Career prospects are excellent. *Please contact ROY WEBB*

First floor – entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

EMA

DIVISIONAL DIRECTOR

Insurance Brokers

East London **to £15,000 + car**

Managing the substantial broking accounts department, the Director will initially carry out a major review and recommendation exercise on the existing computerised systems. With the emphasis on commercial reality, he or she will work with senior management in an atmosphere of change. There are considerable opportunities for creativity and excellent promotion prospects.

An important subsidiary of a publicly quoted group, our client is one of the largest International insurance brokers. With substantial profits, 80% of income is generated overseas. Applicants, aged 29-35 should be qualified accountants with proven managerial ability and exposure to computer systems. Please telephone or write to David Hogg FCA quoting reference I/1925.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

Marketing Director

Dublin £20,000+car

The Irish National Petroleum Corporation was recently established by the Government for the purpose of developing a *national capability and presence in the* petroleum industry. The INPC are currently recruiting the key executive team to give effect to its objectives and *are looking for a Marketing Director* with a proven record of achievement in the *marketing field* preferably, though not necessarily, in the petroleum industry. The successful candidate will work closely with the Chief Executive in evaluating alternative strategies and in the formulation of both long and short term marketing plans.

A first-class remuneration package will be offered to the successful candidate which will include a car, non-contributory pension and relocation expenses to *Dublin if appropriate.*

Please write or phone for application form to: The Secretary, Irish National Petroleum Corporation, Harcourt House, Harcourt Street, Dublin 2.
Telephone 0001-757971.

Irish National Petroleum Corporation Limited

NEW ISSUES

City **c.£13,000**

The merchant banking group of a major continental bank, long established in the City, is expanding its New Issues activities, both in the British market, where the exchange control removal has created new opportunities for foreign issues, and in the Eurobond market where it is actively promoting its services to British issuers.

The Corporate Finance Department needs to increase its team with a male or female executive, aged around 27-35 with a professional qualification or degree. He or she should have a sound experience in negotiating and setting up New Issues, gained probably with a merchant bank or a major stockbroker, and a capacity to conduct discussions at a high level with client companies. A knowledge of French would be a distinct advantage.

Non-contributory pension and BUPA schemes, low interest mortgage and promotion prospects are provided.

Please send full career details in confidence to:

Denis V. E. Howard

Recruitment and Selection Consultant

Third Floor, 4 Cromwell Place
London SW7 2JJ

RB READING & BATES DRILLING CO.

OUR INTERNATIONAL OFFSHORE OPERATIONS REQUIRE

TWO SENIOR ADMINISTRATORS

The offshore drilling division of our expanding and diversified international petroleum, energy and construction company, whose shares are traded on the New York Stock Exchange, require two senior administrators to work in the company's overseas offices.

The successful applicants will have:-

- ★ Business, Accounting or equivalent degree.
- ★ Minimum of 3 years related experience.
- ★ Demand for a challenging career.
- ★ Desire to live abroad.

Applicants, who could be married or single, must be able to work with the minimum of supervision, be prepared to travel, and possess a genuine desire for a demanding and stimulating career.

The successful applicants will receive initial training at our Houston Head Office, and upon completion of this initial training period will automatically *receive one of the finest employee benefit packages available.*

Your detailed curriculum vitae should be addressed to:
The Director of Personnel, Reading & Bates Offshore Ltd.,
4th Floor, Seymour Mews House, Seymour Mews, London, W1H 0AA.

READING & BATES
DRILLING AROUND THE CLOCK AROUND THE WORLD.

LEASING EXECUTIVE **£11,000-£14,000**
A major Merchant Bank is seeking a Business Development Officer with particular experience of the completion of business in the multi-million pound volume bracket. A wide range of industrial and commercial business is involved.

OPERATIONS MANAGER **£neg.**
This new appointment has been created in the London Branch of a prime European Bank. The situation requires an experienced banker who has held a similar position or is well versed in all the elements of International Banking procedures.

CORPORATE MARKETING OFFICER **£neg.**
An expanding U.S. bank is seeking to appoint an Account Executive (preferably MBA) who has had UK accounts and marketing experience, initially for UK business and subsequently to travel in Europe.

EUROBOND SETTLEMENTS SENIOR **£7,500 plus**
A leading Investment Bank is seeking an experienced person to supervise its Settlements area. A broad spectrum of duties is involved and a thorough knowledge of the market is necessary.

JUNIOR DEALER **£7,500 plus**
A progressive opportunity to join a highly professional *dealing operation exists in a prime European Bank.* Two to three years' dealing experience is required in the Interbank market. Full dealing responsibilities will be offered after a probationary period.

LJC Banking Appointments
01-283 9953—for an immediate appointment

Internal Auditor

West Africa $34545 per annum.

An international mining consortium in collaboration with the World Bank operating in the Republic of Guinea require a qualified and experienced Internal Auditor responsible to the Financial Director for the effectiveness of accounting, financial and internal operating controls.

The position requires a recognised university degree and qualification as a Chartered Accountant specialising in internal auditing. The successful applicant must be completely bilingual in French/English – written and spoken.

The appointment will be on a two year contract basis which is renewable and the salary will be $2303 per month free of tax with additional 25% payable in local currency.

Six weeks leave after 12 months service with paid transportation. Benefits include low rental modern air conditioned furnished accommodation, free medical care and life insurance. Free schooling for children up to the age of 14 years will be provided on location with liberal allowance to cover education outside West Africa above that age.

Please send career details quoting reference H/003/FT to Charles Hyde, *Charles R. Lister International Limited, Personnel Consultancy,* Aeradio House, Hayes Road, Southall, Middlesex, UB2 5NJ when a comprehensive description of the duties and conditions pertaining to this position will be supplied with an application form should background experience warrant.

LISTER
Charles R. Lister International Ltd
Personnel Consultancy
An IAL company

Financial Controller

A senior appointment in international transport

c. £14,000+car **Aylesbury**

Expertise in international finance, proven man-management ability and sound experience in the world-wide transport industry are among the prerequisites for qualifying as Finance Director of this fast-expanding group. A university degree and Chartered Accountant or equivalent status are also *essential.*

Formed in 1964 as part of the £200m-turnover Pakhoed Group, Trafpak is now an established leader in the international bulk liquid container industry, offering a comprehensive service which includes custom-built container design and operation of the largest independent container fleet in the world.

As Finance Director, based at our Head Office at Aylesbury, you will be responsible to the Managing Director for all financial aspects, in particular for *formulating and implementing* the policies which will sustain and accelerate our growth in the future.

To operate effectively within this sophisticated international environment, you will need experience of working abroad – *preferably in the EEC or the USA* and must be prepared for occasional *overseas travel.*

The candidate with the level of experience and maturity we seek is unlikely to be under 35.

Career prospects within this highly successful group are excellent and material rewards are high. In addition to the above-quoted salary you will receive a company car in the 2.6-litre range and a variety of benefits, including a non-contributory pension scheme, permanent health insurance and BUPA coverage.

Please send full career details to:
Mr. J. A. Ross, Managing Director,
Trafpak Limited, 30/38 Cambridge Street,
Aylesbury, Bucks HP20 1RS.

Trafpak

BRANCH OF MAJOR U.S. BANK IN LUXEMBOURG SEEKS 2 SENIOR FOREIGN EXCHANGE DEALERS

The successful candidates must have a minimum of four years' trading experience with an active bank. English and one other European language are basic requirements.

Salary negotiable but not less than Lux. Francs 1,500,000 per annum. This is an opportunity to become part of a rapidly expanding organisation with a great future.

Reply to Box A.7018, Financial Times,
10 Cannon Street, EC4P 4BY.

MANAGING DIRECTOR

A significant Brewer, subsidiary of a large and successful British Group, wishes to appoint a Managing Director to take charge of its National Sales company, based in London. This vacancy arises from internal promotion.

The Managing Director is profit responsible for this rapidly growing part of the business, *which already accounts for a significant proportion of the company's* overall sales volumes. Within this business unit are all the company's free off-trade customers, including national cash and carry customers, specialist retail chains and small individual retailers.

Competition is severe, but considerable opportunities for innovative business development, to do with product, package, supply and distribution, exist in this specialist market segment.

Wide general or marketing management experience in the take home market and a high level of professionalism gained in a well managed fast moving company would be *prerequisites for the performance of this senior role.* The successful candidate, if already in the brewing industry, will necessarily have to have had direct involvement in a similar role. Alternatively, candidates from outside the industry will need to have in-depth experience of retailing and those with a national grocery background would be particularly suitable.

It is unlikely that applicants under 35 will be relevant for this position. Remuneration will be commensurate with the seniority and importance the company attaches to the appointment.

All replies will be treated in the strictest confidence and should be addressed to The Corporate Consulting Group, 24 Buckingham Gate, London SW1.

CCG
Corporate Consulting Group

Marketing Manager

(Leasing) c£11,600

Due to expansion the leasing subsidiary of a major clearing bank wishes to recruit a further marketing manager for its main office situated in inner London.

An experienced leasing executive is required for handling medium sized leasing transactions. Applicants, of either sex, must be able to work on own initiative and communicate with senior officials of major companies.

Initial remuneration will be around £11,600 per annum, together with pension, profit sharing scheme and other benefits.

Please reply to Box A.7017, Financial Times,
10 Cannon Street, EC4P 4BY.

INBUCON

Head of Marketing

London Based c.£15,000 Plus Benefits

For a leading Financial Organization currently providing a range of specialized services to the public generally through a large and growing network of High Street Branches.

The new Head of Marketing assumes functional responsibility at Group level for a recently established but expanding Division handling both established markets and new areas of market penetration. This senior career position carries departmental line management responsibility for the Group's Planning, Economic Intelligence and Market Research Units and for the cost effective deployment of the Group's considerable advertising appropriation. Candidates, male or female, preferably graduate or M.B.A. and numerate, must possess a proven record in cost effective marketing which will have been gained in Finance or Consultancy, coupled with a background of line operation in Financial, Insurance or Consumer Industries.

The benefit package includes a basic salary of circa £15,000 per annum, car, and considerable fringe benefits associated with a large well established Organization.

Please apply in writing, in confidence, quoting Reference 3856, to W.M. Stern.

INBUCON MANAGEMENT CONSULTANTS LIMITED,
Executive Selection,
Knightsbridge House, 197 Knightsbridge, London SW7 1RN.

"NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS"

THURSDAY 28TH FEBRUARY, 1980

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations.

We propose to publish the list in our issue of Thursday, 28th February, 1980, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments."

Advertising rates will be £19.50 per single column centimetre. Special positions are available by arrangement at a premium rate of £21.50 per s.c.c. Copy rate is Friday, 22nd February. For further details, including reprints of previous features, please telephone 01-248 4601 or 4864 (direct lines).

Newly Qualified Accountants, especially Chartered, are never easy to recruit—don't miss this opportunity!

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

MERCHANT BANKING

Baring Brothers & Co., Limited

CORPORATE FINANCE

Barings are seeking one or two executives to join the bank's corporate finance team which operates principally in our London office, but also in the bank's own offices in New York, Hong Kong and Singapore and in affiliated companies in Australia, Malaysia and Nigeria.

The successful applicants will probably be graduates, aged between 24 and 28, with a professional qualification in accountancy or law or with a business school degree. Experience in corporate finance would be an advantage.

Applications, enclosing a curriculum vitae, should be sent in confidence to:-

Mr. Francis Carnwath
Baring Brothers & Co., Limited
88 Leadenhall Street
London EC3A 3DT

Financial Director

Warwickshire **circa £12,000 + car**

A keen sense of business and commercial activities is essential to this position with a major subsidiary of an international group involved in product marketing on a multi-branch basis.

Reporting to the Chief Executive and forming part of the central Headquarters senior management, the successful candidate will be expected to contribute substantially to overall company policy decisions as well as controlling the central accounting and management reporting function. Computer based systems development is currently taking place and a positive, creative influence is envisaged. Candidates should be qualified, probably aged over 35 with proven management ability and experience of a market/distribution environment, preferably similarly structured. Expenses of relocation to this attractive and conveniently-situated area are available.

Please telephone 021-622 3838 for an application form at any time to Adrian S. Moore, F.C.A., Director, Overton Management Selection, Monaco House, Bristol Street, Birmingham B5 7AS, quoting reference 4/1203 FT.

Applications are welcomed from men and women.

OVERTON MANAGEMENT SELECTION

General Manager Retail Finance

Kenya

c.£20,000 p.a. plus attractive benefits

A substantial financial institution is to be established in Nairobi as a joint venture by a Kenyan Subsidiary of the Inchcape Group and one of the country's foremost Group Assurance Companies. Initially, the new institution will provide hire purchase and retail finance services prior to expansion into associated fields.

A General Manager is required to establish this enterprise. Candidates, aged 30-40 years, should have a minimum of six years' consumer finance/banking experience, including profit responsibility at Area or Regional level. They should have well developed managerial skills and a strong, self-motivated personality. *Previous overseas experience is desirable.*

Terms of employment for this important new position are very attractive. In addition to the salary, fringe benefits include 25% gratuity in lieu of pension on completion of initial three year contract. Free furnished accommodation plus house servants. Company car. Six weeks' U.K. leave p.a. with first class air passages paid. Free medical treatment for self and family. Private education scheme. Living conditions in Nairobi are extremely pleasant.

If you are interested in this challenging new appointment, please write with brief personal details and career history to: Personnel Director (Overseas), Inchcape & Co. Limited, 40 St. Mary Axe, London EC3A 8EU.

Initial interviews will be held in London.

Inchcape

Glynwed Group Services

TAXATION ACCOUNTANT

Sheldon, Birmingham

Glynwed Limited is a public company engaged in the manufacture and distribution of a wide range of engineering and building products. Sales turnover is in excess of £300 million.

Accountability is to the Group Taxation Manager for:-

- Preparing Corporation Tax computations for submission to the Inland Revenue, and providing an advisory service to Group companies in relation to taxation matters.
- Maintaining an interface between Group *Headquarters, Group companies and auditors on* all taxation matters in relation to annual and half year accounts.
- Providing authoritative advice on taxation matters in relation to strategic business planning.

Applicants, male/female, must be certified or chartered Accountants, or alternatively, have received formal training with the Inland Revenue followed by experience in a commercial/industrial taxation department. A thorough understanding of Taxes Acts, and the taxation-related problems of an industrial group with overseas subsidiaries is essential.

Telephone or write for application form to:-

R. Withey, Group Staff Manager,
Glynwed Group Services Ltd.,
Headland House, New Coventry Road,
Sheldon, Birmingham B26 3AZ.
Telephone: 021-742 2386.

GLYNWED

Management Accountant

C. London **£9000**

Our client forms the Head Office of a well known Building Materials Manufacturing Group.

Due to reorganisation they now require an *experienced* accountant to complete their finance team.

You will be closely involved in cash forecasting, budgeting and capital expenditure project evaluations, analysing actual results against projected targets.

You will also carry out a variety of projects for the Chief Accountant, including further computerisation of systems.

Ideally aged 26/40 you should have experience of management accounting duties, preferably in a manufacturing environment and although qualifications would be preferred more important still is your ability to solve practical financial problems, and work to tight deadlines.

Please telephone or write quoting ref. RG 3025.

Lloyd Chapman Associates
123, New Bond Street, London W1Y 0HR 01-499 7761

Finance Director

Ilford, Essex **c. £13,000 + car + benefits**

We have been retained by the Management Consultancy Division of a major firm of Chartered Accountants to advertise the following position on their client's behalf.

The consultancy's client is a leading firm in the field of security services and operates in the London area.

The company now wishes to appoint a Finance Director, who will also hold the position of DEPUTY MANAGING DIRECTOR, to improve the company's commercial awareness through the development of appropriate information systems as well as assuming direct responsibility for the accounting, secretarial and administrative functions of the company. The successful candidate will report to the Managing Director and, during his absence, be responsible for the representation and direction of the company.

Applicants, probably aged 35-40, must be qualified accountants with at least 5 years' senior management experience in a progressive industrial or commercial environment. While a degree is preferable, this is not as important as the ability to demonstrate a strong personal presence, a practical approach and the ability to motivate staff. As part of the senior management team, the successful candidate must contribute positively to the company's development and direction in this competitive field.

For further information, please write in complete confidence, submitting curriculum vitae to N. J. Fairburn, John Buckman Associates, 142 Strand, London WC2R 1HH, quoting reference 2732.

Group Financial Accounting

C. London **From £10,000**

A well known British public group with a turnover in excess of £500m seeks a Chartered Accountant aged up to 30 with post qualifying experience gained in a major professional firm.

Reporting to the Group Chief Accountant and with regular contact with Board members, you will be responsible for a small department producing statutory and management accounts and be involved in corporate and tax planning matters.

The size and diversity of the group should provide future opportunities for the right person with technical ability combined with commercial flair.

Contact John P. Sleigh, FCCA on 01-405 3499 quoting reference JS/473/HEF.

Lloyd Management
Recruitment Consultants
125 High Holborn London WC1V 6QA 01-405 3499

CORPORATE LENDING OFFICER

£10-13,000 PLUS BENEFITS

A medium-sized private Merchant Bank is seeking an experienced person in their early 30s who ideally would have had similar experience with a Merchant or International Bank, and be fully conversant with all aspects of Corporate Loan Documentation and Administration. A great deal of customer contact, liaising with the Bank's Credit Committee to present cases and loan applications.

LOANS ADMINISTRATION

£6-7,000

Expanding Banking organisation now in the City requires general Loans Administration experience and a bias towards sterling syndicated loans. Also some Eurocurrency lending an advantage.

YOUNG CREDIT ANALYST

£6,000 PLUS EXCELLENT BENEFITS

Another vacancy with a small American Bank where a young person would work alongside the Assistant Credit Analyst preparing reports, keeping up-to-date records and all manner of credit analytical work. Some previous experience in this field required. Age 23-25.

LENDING/CHARGED SECURITIES

c£5,000

This Bank would consider a grade III person with first-class Charged Securities experience and Domestic Lending, for work in their Credit Department.

Ask Della Franklin
01-248 6071/236 0691
ALANGATE EMP AGENCY
(Banking Division)
78 Queen Victoria Street, London, EC4.

Harvard Appointments Limited

INTERNATIONAL TROUBLESHOOTERS

London Area **c. £11,000**

Our client, a major U.S. corporation ranking highly in Fortune 500 Magazine, requires two exceptional young qualified graduate accountants, preferably ACA/CA/ACCA's aged 24-28.

As the job involves monitoring the profitability of U.K. and European operations, a second language would of course be a considerable advantage.

Only candidates considered to be very promotable will be short listed for interview.

Please contact
GEORGE D. MAXWELL
Managing Director

235 Finchley Road London NW3 6LS Telephone 01-794 0124 (24 hrs)

GROUP ACCOUNTANT

West Midlands **circa £8,000 + Car**

A most challenging and rewarding opportunity has been created by the continuing expansion and development of our client company's activities. The Group Accountant will provide a financial management service to the Group Managing Director, by interpreting results, appraising expansion opportunities, instituting new controls and systems and taking an executive responsibility for cash management. For an ambitious and diplomatic qualified accountant with post qualification commercial experience, this new role offers an executive career with a successful multi-million pound organisation. The detailed job content will to a large degree be defined by the successful applicant upon taking up the post and a wide range of financial experience will inevitably be gained.

Please telephone 021-622 3838 for an application form at any time or send full career and personal details to John L. Overton, F.C.A., M.E.C.I., Overton Management Selection Limited, Monaco House, Bristol Street, Birmingham B5 7AS, quoting reference 3/1186 FT.

Applications are welcomed from men and women.

OVERTON MANAGEMENT SELECTION

CHIEF ACCOUNTANT

LLOYD'S BROKERS

LONDON **TO £12,000 + CAR**

Our client is a small forward-looking group who are seeking a qualified accountant to control the accounting function and to make a positive contribution to financial management of the group.

Candidates (ideally aged 30-45) must be able to work on their own initiative and possess considerable personal qualities. It is essential to have a working knowledge of the insurance industry and, in particular, of the Lloyd's market.

All applications will be treated in strictest confidence and will not be disclosed to our client without the applicant's permission. Apply, giving brief personal, and career details, quoting Ref. FT/LMW/011 to:

David Walker, Neville Russel and Co.,
30 Artillery Lane, Bishopsgate, London E1 7LT

SENIOR BANKERS FOR SOUTH AFRICA

required by

NEDBANK LIMITED

(A member of the Nedbank Group Limited)

A one or two year non-renewable contract for bankers at or near retirement to work alongside younger people giving them the experience of their specialised areas.

Broadly-based experience in some of the following fields is required: International Banking (corporate marketing, dealing and operations level). Corporate Planning, Training, Computer Auditors and Organisation & Methods.

Generous salaries will be offered together with rental allowance, bonuses, medical aid and relocation expenses. In the first instance a résumé detailing background and experience, in confidence, enclosing a recent photograph, to:

**Mr. A. G. Lewis,
NEDBANK LIMITED,
37 Lombard Street,
London EC3V 9BN**

Company Accountant

Central London

for the Head Office of a well-established, international manufacturing group with a turnover of some £30 million.

The post will include responsibility for the monthly management and financial accounts of a major subsidiary with contributions on budgeting, capital expenditure appraisal, ECGD and taxation. A knowledge of EDP and factory accounting is also important.

Candidates, male or female, should be qualified accountants, aged late 20's or early 30's. A second language would be an added advantage.

Salary £10,000, plus car and good fringe benefits.

Write, in complete confidence, quoting reference 1106 to Mike Hann who is advising on this appointment.

Odgers MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St, London W1X 3TD 01-499 8811

Our client, a well-established Builders Merchants, require the following:

ASSISTANT COMPANY SECRETARY

£7,000 p.a. neg.

and a

CHIEF ACCOUNTANT

£6,000 p.a. neg.

Both positions are based in London, near Liverpool Street Station and offer good scope for advancement.

The position for Assistant Company Secretary would ideally suit a newly qualified A.C.I.S., with some post qualifying experience. The Chief Accountant need not be qualified, but must have good, all-round experience in accounting matters.

Both posts attract good fringe benefits including a Group Pension Scheme and BUPA.

Interested applicants should write, in strict confidence, enclosing a full c.v. to:

Mr. L. Jones, Astral Recruitment Associates,
Astral House, 17/19 Maddox Street,
London, W1R 0EY

ap Senior Appointments

CHIEF ACCOUNTANT

City **£9,500 + car + benefits**

Our client, a well established wholesale operation in the food trade, requires a Chief Accountant to take immediate control of the accounting and administration functions of a newly-formed operating unit. This is an unusual opportunity for a young Chartered Accountant to assume a head of function role within a rapidly-expanding company. The brief includes the design and implementation of new accounting systems including a comprehensive programme to make best use of an existing computer facility.

EXCELLENT PROSPECTS OF A BOARD APPOINTMENT.

Contact Mark Lockett or Ian Crichton quoting reference (B)516

ACCOUNTANCY PERSONNEL SENIOR APPOINTMENTS
41 London Wall, London EC2M 5TB - 01-588 5105

YOUNG QUALIFIED ACCOUNTANT

UP TO £10,000 P.A.

Required by major international corporation at their U.K. headquarters to join a highly technical and computerised environment. Applicants aged 24-30, preferably graduates with good communication skills, should call Steve Anchor on 01-734 9087.

A & A CONSULTANTS LTD.

FINANCIAL DIRECTOR

London/Home Counties **Negotiable around £20,000**

- Our client, Textile Wallcoverings International Limited, is a privately-owned manufacturing and distribution based group employing about 400, and turning over in excess of £12m. A significant proportion of production is exported.
- The group seeks a suitably qualified accountant on the Main Board to direct the total group financial function. Due to rapid growth in recent years this will initially include consolidation of accounting systems group-wide.
- The successful candidate, probably aged 35-45, ideally will have controlled financially a group of companies, and must be strongly commercially orientated.
- An attractive remuneration package will be negotiated.
- Candidates, male or female, please contact in confidence Susan Heath, Recruitment Secretary, for an application form and full job description from 5 Victoria Street, Windsor. Tel: Windsor (07535) 67175 (24 hours) quoting Ref DB/320.

A subsidiary of Finance for Industry Limited.
ICFC Training and Management Consultants Limited.
The Specialists in Recruitment for Medium Sized and Private Companies.

APPOINTMENTS WANTED

SENIOR ENGINEER

EXPERIENCED AND HIGHLY QUALIFIED

aged 42, retired from the Israeli Navy in December 1979 and wishes to represent industrial or Engineering concerns as resident representative in Israel and the Eastern Mediterranean area. Curriculum Vitae and other details available on request.

Write Box A.6996, Financial Times, 10 Cannon Street, EC4P 4BY.

ECONOMIST with Ph.D., research experience and 3 language seeks post with stockbroker or merchant bank. Write Box A.7015, Financial Times, 10 Cannon Street, EC4P 4BY.

COMPANY NOTICES

COLD STORAGE HOLDINGS LIMITED

Registered Office
Botolph House, 10, Eastcheap, London EC3M 1AS.
Head Office:
Empire Dock, Keppel Road, Singapore 0409.

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of COLD STORAGE HOLDINGS LIMITED will be held at Empire Dock, Keppel Road, Singapore 0409, on Wednesday, 30th January, 1980, at 12.00 noon to consider and if thought fit approve the following ordinary resolution:—

"That the agreement between Cold Storage Manufacturing Pte Ltd., a company incorporated in Singapore and having its registered office at Empire Dock, Keppel Road, Singapore 0409, of the one part, a wholly owned subsidiary of the company, and Robinson and Company Limited, a company incorporated in Singapore and having its registered office at 4th Floor, Specialists' Centre, Orchard Road, Singapore 0923, of the other part (a copy of which, signed by the chairman for the purpose of identification, is tabled herewith) be and is hereby approved."

NOTE:—
A copy of the foregoing agreement can be sighted at the company's offices at Empire Dock, Keppel Road, Singapore 0409, during normal business hours until the conclusion of the extraordinary general meeting.

By Order of the Board,
J. D. RAJ, Secretary.
Singapore, 12th January, 1980.

A member of the company entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his stead. A proxy need not also be a member.

BANQUE DE L'INDOCHINE ET DE SUEZ

Société Anonyme registered in France with a capital of Frs. 577,431,400
Registered Office: 96 Boulevard Haussmann, 75008 Paris
Central Offices: 44, Rue de Courcelles, 75008 Paris

NOTICE TO THE HOLDERS OF NOTES OF U.S.$1000 EACH OF THE F.R.N. ISSUE 1979-89

In conformity with the French law of July 24th 1966 and French decree of March 23rd 1967 governing commercial companies, Holders of hereabove referenced notes are requested by the Board of Directors of BANQUE DE L'INDOCHINE ET DE SUEZ to attend the ordinary general meeting to be held February 4th, 1980, 1 rue d'Astorg, 75008 PARIS at 11 a.m. with the following agenda:

—appointment of representatives of the Noteholders.
—determination of the powers and remuneration of the representatives.

Each noteholder shall have the right to attend this meeting or to appoint a representative. The meeting will be open to holders of:

—registered bonds of record five calendar days before the day set for the meeting.
—bearer bonds having deposited their stocks five calendar days before the day set for the meeting at the offices of BANQUE DE L'INDOCHINE ET DE SUEZ.

BANQUE DE L'INDOCHINE ET DE SUEZ shall deliver proxies to noteholders who are unable to attend the meeting personally.

THE BOARD OF DIRECTORS

SOCIETE GENERALE
U.S.$50,000,000
Floating Rate Notes Due 1991

For the three months, January 14, 1980, to April 13, 1980, the notes will carry an interest rate of $14\frac{5}{8}\%$ per annum

The interest due April 14, 1980, against coupon No. 3 will be US$36.97 and has been computed on the actual number of days elapsed (91) divided by 360.

The Principal Paying Agent,
SOCIETE GENERAL
ALSACIENNE DE BANQUE
15, Av. E. Reuter,
LUXEMBOURG.

SOCIETE GENERALE ALSACIENNE DE BANQUE
U.S.$20,000,000
Floating Rate Notes Due 1991

For the six months, January 15, 1980, to July 14, 1980, the notes will carry an interest rate of $14\frac{7}{16}\%$ per annum.

The interest due July 15, 1980, against coupon No. 2 will be US$72.99 and has been computed on the actual number of days elapsed (182) divided by 360.

The Principal Paying Agent,
SOCIETE GENERALE
ALSACIENNE DE BANQUE
15, Av. E. Reuter,
LUXEMBOURG.

BEARER DEPOSITARY RECEIPTS
Representing preferred Stock of
BAXTER/TRAVENOL
INTERNATIONAL CAPITAL CORPORATION
1st SIE CONVERTIBLE PREFERRED STOCK

A distribution of Dollar 0.32 per depositary share less any applicable taxes depending on the presentor's country of residence will be payable on and after January 22, 1980 upon presentation of coupon no. 16 at the office of any of the following depositaries:

MORGAN GUARANTY TRUST CY OF NEW YORK:
—NEW YORK, 30 West Broadway
—BRUSSELS, 35, avenue des Arts
—LONDON, 33, Lombard Street
—PARIS, 14, Place Vendôme
—FRANKFURT, 8, Bockenheimer Landstrasse

CREDITO ROMAGNOLO, Via Armorari, 14, Milan
Via Boncompagni, 27, Rome
BANK MEES & HOPE N.V., Herengracht 548, Amsterdam
KREDIETBANK S.A., Bd. Royal, 43, Luxembourg

LEGAL NOTICES

THE COMPANIES ACTS 1948 TO 1976
SHEHREZADE LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of Leonard Curtis & Co., situated at 3/4 Bentinck Street, London W1A 3BA, on Thursday, the 24th day of January 1980, at 12 o'clock midday, for the purposes mentioned in sections 294 and 295 of the said Act.

Dated this 9th day of January 1980.
By Order of the Board,
SOHRAB ESHRAGHI, Director.

PUBLIC NOTICES

BOURNEMOUTH CORPORATION BILLS issued 9th January 1980, £1,100,000 Bills due 9th April 1980 at $16\frac{11}{16}\%$. Applications £6,600,000. Bills outstanding £1,100,000.

CITY OF LIVERPOOL BILLS
£8,210,000 Bills due 16 April 1980 dated 16 January 1980 were tendered for at an average rate of discount of £15.8835 per annum. These Bills were issued to replace a similar amount of Bills repaid on 16 January 1980 and are the only City of Liverpool Bills outstanding.

JOHN HILL
Treasurer of the City.

METROPOLITAN BOROUGH OF WOLVERHAMPTON
£2.5m 91 day Bills, issued 16th January 1980, due 16th April 1980 at $15\frac{7}{16}\%$. Applications totalled £16m. Outstanding £2½m.

NEWBURY DISTRICT COUNCIL
Issued 14th January 1980, £0.606m Bills due 14th April at 15 57-64ths per cent. Applications £4.242m. Total outstanding £0.606m.

OLDHAM CORPORATION BILLS
£3,300,000 Bills issued 16th January 1980 at $15\frac{1}{8}\%$ to mature 16th April, 1980. Applications £30,200,000. None outstanding.

TRAVEL

GENEVA, Basle, Zurich and Berne, widest range of cheap flights from 4 U.K. airports. Brochure FALCON 01-351 2191.

CONTRACTS AND TENDERS

DEMOCRATIC REPUBLIC OF THE SUDAN

PUBLIC ELECTRICITY AND WATER CORPORATION

POWER III PROJECT

BURRI POWER STATION EXTENSION

The Government of Sudan expects to receive a grant from the Overseas Development Administration of the United Kingdom to assist in financing the Power III Project. The project includes the extension of the existing power station at Burri, in Khartoum, by approximately 40 MW of diesel generating equipment, with a view to further expansion to a total of 60 MW on the same site. The Government expects to apply parts of the grant to the following:

1. **Mechanical and Electrical Part:**

— The supply, erection and commissioning of diesel generator sets totalling about 40 MW at site, selected from engine sizes in the range 10 MW, 428 rpm, 4 stroke; 10 MW, 150 rpm, 2 stroke; and 15 MW, 150 rpm, 2 stroke. Diesel engines must be capable of running under load continuously for periods in excess of 3,000 hours using heavy fuel oil in the range of 3,000-4,000 sR I with a sulphur content of up to 4% and a vanadium content of 50-100 p.p.m. Annual operation time will be approximately 5,000 hours.

— All auxiliary and ancillary equipment for luboil, fuel, cooling water, starting air, steam and condensate system; including tanks, cooling towers, fire fighting equipment, pipes, workshop equipment. Fuel system consisting of unloading from rail tankers, storage and treatment.

— Electrical auxiliary and control equipment including generator transformers 11/33 KV, switchgears, battery, battery charger, air-conditioning and ventilation equipment, cables, earthing, lighting, communication system.

— Steel structure, wall cladding and roofing for Power House and M+E Annex Buildings including overhead travelling crane and other lifting facilities.

— Supply only of pumps and pipes for the transfer of cooling and feeding water from Khartoum-North water works to Burri (approximately 3.5 km).

2. **Civil Part:**

— Piling: Unit foundations, foundations for Power House, M+E Annex Buildings and Transformer Bank; Walls, slabs, roofing, and finishing work for Power House and M+E Annex Buildings, Transformer Bank; Civil Work for Tankyard, Pumphouse, Cooling Towers, Gate House, Pipe and Cable Trenches; Domestic water supply system, drainage and sewer system for domestic and industrial sewage; roads, pavements, fencing, gates.

Potential manufacturers, suppliers and contractors who wish to participate in bidding for the above works, and who are UK-based *firms with a majority shareholding* held by citizens of the UK, are asked to apply in writing to be placed on the list of elegible bidders to receive notification of the availability of bid documents. Such firms must give details of proven prior experience in the manufacture and/or construction of such projects together with proof of UK-status, and should also state whether they wish to be considered as bidders for separate contracts within the project or as the leader of a consortium bidding for the whole works on a turn-key basis, or both. With respect to civil work contracts, UK-based civil engineering contractors shall indicate whether they wish to engage Sudanese firms as sub-contractors for any of the works, giving details of such firms as applicable.

Applications should be addressed by airmail to arrive not later than three weeks after appearance of this notice simultaneously to:

THE GENERAL MANAGER
PUBLIC ELECTRICITY AND WATER CORPORATION
ATTN. OF POWER III PROJECT MANAGER
P.O. BOX 1380
KHARTOUM
DEMOCRATIC REPUBLIC OF THE SUDAN

LAHMEYER INTERNATIONAL GMBH
CONSULTING ENGINEERS
LYONER STRASSE 22
POSTFACH 71 02 30
D-6000 FRANKFURT (MAIN) 71
ATTN. DEPARTMENT RT

Leasing Requirements

Devon County Council intends to invite a number of companies to submit tenders for the financing only by way of lease of furniture, equipment and plant during the period ending March, 1981.

Those wishing to be included on the list from which a selection of firms may be invited to tender should apply not later than Thursday, 31st January, 1980, to The County Treasurer, County Hall, Topsham Road, Exeter EX2 4QJ.

DEVON

BRAZIL

COMPANHIA HIDRO ELETRICA DO SAO FRANCISCO (CHESF)

ENERGY MANAGEMENT SYSTEM

Centrais Electricas Brasileiras S/A (Eletrobras) is applying for a loan from the World Bank, part of which is intended for financing the cost of an Energy Management System (EMS) for the supervision and control of the operation of CHESF's electric power system. This EMS will be located at CHESF's system operating centre in Recife.

About the end of February 1980, CHESF intends to issue official bid invitations and specifications covering the supply of all hardware, software system integration services and training necessary to provide a completely operational system including remote terminal units, computer peripherals, man machine interface teleprocessing interface, support software and applications software. The EMS system shall support remote consoles to be located at CHESF's five (5) regional operation centres as well as a computer-to-computer communication link with the Brazilian national supervision and co-ordination centre computer facilities.

The EMS system functions will include forecasting and scheduling study mode and real-time security assessment, system monitoring, Supervisory control, automatic generation control, voltage scheduling, energy accounting and operations analysis, recording and reporting. The CHESF present installed capacity is about 3000 MW (90 per cent hydro-electric) and is expected to increase to about 9000 MW by 1986, the system will then have transmission at 500/230/138 KV.

Prospective bidders from member countries of the IBRD or Switzerland are invited to indicate in writing their desire to be included in a mailing list to receive, at the time of the issue of the bid documentation, an official invitation to participate in the bidding. Letters shall be addressed to:

Companhia Hidro Eletrica do Sao Francisco—CHESF
Diretoria de Suprimento
Departamento de Compras e Contratacoes
Divisao de Aquisicoes Especiais
Rua Dr. Elphego Jorge de Souza, 333
50.000 — Recife — PE
Brasil

The bid documentation will be only available at the above mentioned address at a cost of U.S.$200.00.

BOND DRAWINGS

REPUBLIC OF ICELAND
$9\frac{1}{4}\%$ 1976/1983 UA 15,000,000

Bonds for the amount of UA 1,000,000 have been drawn on January 3, 1980 in the presence of a Notary Public for redemption on February 20, 1980.

The following Bonds will be reimbursed coupon due February 20, 1981 and following attached:

1295 to 2294 incl.
Amount unamortised: UA 13,375,000
Outstanding drawn Bonds:

4141 and 4142, 4265 and 4266, 4299 to 4302 incl., 4331 and 4332, 4347 to 4349 incl. 4372 to 4376 incl. 4454 to 4483 incl. 4528 and 4529, 4551 and 4552, 4579 to 4584 incl., 4586 and 4587, 4590 to 4592 incl., 4595, 4608, 4622 and 4623, 4631 to 4645 incl., 4688, 4715 and 4716, 4736 to 4740 incl., 4763 and 4764.

THE FISCAL AGENT
KREDIETBANK
S.A. Luxembourgeoise

Luxembourg, January 17, 1980

COMPANY NOTICES

60,000,000 EUROPEAN COMPOSITE UNITS
EUROPEAN INVESTMENT BANK
8¾% Bonds of 1974, due 1989

Notice is hereby given that the amount to become due against coupons no. 6 dated 18th January 1980 for the above bonds is DM 206.27 per coupon or, in the case of coupons in respect of which valid selection of another currency of payment has been made U.S.$119.97 per coupon.

EUROPEAN INVESTMENT BANK

PERSONAL

ELMYR DE HORY FAKES
Own a magnificent
Renoir, Matisse, Modigliani, Dufy
Private collector has for sale these unique oil paintings by the master forger of our time, the late Elmyr de Hory, signed.
Phone 01-485 4828

CLUBS

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floor shows. 189, Regent St. 734 0557.

GARGOYLE, 69, Dean Street, London, W1.
NEW STRIPTEASE FLOORSHOW
"AS YOU LIKE IT"
11-2.30 am Shows at Midnight and 1 am. Mon.-Fri. Closed Saturdays. 01-437 6455

LOMBARD

The hoarders' arguments

BY DAVID MARSH

"The first move, we are free to choose. The second makes us slaves."

A SENIOR Bundesbank official uses Mephistopholes' warning to Faust to sum up the reasons why the West German central bank refuses to make a pact with the devil by offloading any of its 3,670 tonnes of gold.

Central bankers meeting at the Bank for International Settlements in Basle last week, while not unanimously quoting Goethe, followed the Bundesbanks' line that co-ordinated gold sales as part of a bid to defuse speculation on the bullion market would be far too risky an operation.

Once entered into, a commitment to intervene on the gold market could prove a heavy burden. If such operations failed to act as a long term depressant on the price, the central banks would be left with large losses resembling those made over the years on their support purchases *of the declining dollar.*

The Basle decision came as no surprise to anyone familiar with central banks' staunch attachment to their reserves of supposedly demonetised gold. As the chart shows, the three principal gold holders on the Continent—Germany, Switzerland and France—have been phenomenally successful in building up and holding on to gold stocks since the war—on which they have made vast profits.

The last time any of these three disposed of gold was at the end of the 1960s, including sales made during the final period of the gold pool arrangement in 1966-68, when central banks vainly intervened to hold down the price at $35 per ounce.

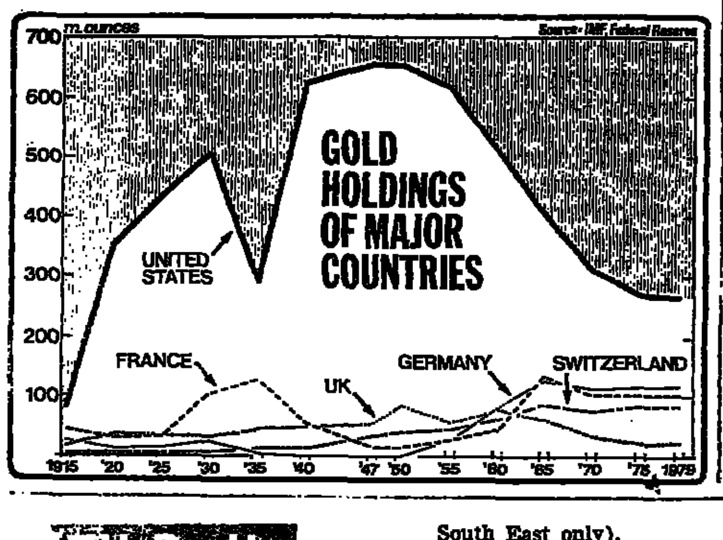
The Anglo Saxons have had very different experiences. Although the bulk of U.S. and British gold sales since the war came before 1970, over the last 10 years the U.S. and Britain have lost a further 2,900 tonnes of gold.

The American reluctance to hold a further gold sale—despite the near doubling of the price since its last auction at the beginning of November—clearly signals a change in U.S. Treasury policy.

At a time when bargain hunting speculators are ready to pounce on any relatively cheap sources of supply, concerted gold sales would possibly be ill-timed.

All the same, there is something weak-kneed in the central banks' response. If the gold price really has been pushed up to an artificial level by speculation and unfounded panic, *shouldn't the central bankers* have sufficient faith in paper currencies to exchange overpriced, non-interest-bearing gold for U.S. Treasury bills yielding 12 per cent?

At the very least, the monetary authorities should have the courage of their own convictions and come clean with their reserve positions. At present market prices of well over $700, the U.S. Treasury, the Bundesbank and the Swiss National Bank—all of which grotesquely undervalue their gold on the basis of $42.22 per ounce—are sitting on unrealised book profits of around $300bn.



When the trade mark offers no protection

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

IT HAS been generally assumed that the doctrine of "exhaustion of rights"—that is that an owner of a patent or a trade mark has exhausted his rights by placing the protected product on the market—is foreign to English law.

The series of decisions by which the European Court has firmly implanted this doctrine *in the* EEC law has caused great consternation in the UK. It was thought that under a conventional trade mark law a "parallel importer" would not be allowed to buy a branded product in one country and to *sell it in another without the* consent of the subsidiary or sole distributor holding the trade mark rights in the country of importation. When the European Court allowed Centrafarm to buy Negram produced by the Sterling *Drug/Winthrop Group in the* UK and to import it to the Netherlands against the opposition of the group which owned Dutch patents and trade marks for that product, and sold it there at a higher price than in the UK, this was greeted—or cursed—as a revolutionary decision.

It came, therefore, as a considerable surprise when the Court of Appeal, without ever mentioning the doctrine of exhaustion, held* that English law is not substantially different in its effect from the law as defined by the European Court in the Centrafarm cases. In an important judgment concern*ing the complaint of Revlon that* one of its products was being imported in the UK by cut-price wholesalers, the three Lord Justices of Appeal, Buckley, Bridge and Templeman, went right to the heart of trade mark law; they were unanimous that the Revlon companies could not establish a plausible cause of action against any of the nine defendants, either for the passing-off under common law or for trade mark infringement under statute law.

They did not go quite as far as the European Court, which allowed the parallel importer to repack and re-label the products under a local trade mark of the producer different from the one under which the product was marketed, but they went far enough and thought the issues to be sufficiently clear to refuse leave of appeal. Revlon, however, is bent on pursuing the matter further and has applied to the House of Lords for permission to appeal.

Revlon is a multi-national company, not different in its structure from many others. Its headquarters is in the *U.S.* where it produces the same three types of shampoo and hair conditioner as is made in its factory in Wales, controlled originally through a Venezuelan subsidiary and now transferred to one registered in the Bahamas.

All its products are sold under the trademark Revlon Flex, which is owned in the UK by the group's Swiss sub*sidiary*, Revlon Swiss. Marketing of Revlon products in the UK and in other countries outside the U.S. is controlled by Revlon International Incorporated in New York. All the subsidiaries are completely controlled from New York by Revlon Inc., not only by the ownership of equity but also by directors seconded from headquarters to the subsidiaries.

The situation from which the present dispute arose was created by Revlon when it decided to discontinue the production of a fourth type of shampoo introduced without great success in the U.S. some time ago. This was the anti-dandruff medicated shampoo and conditioner, of which large quantities were partly sold and partly given away by Revlon Inc. to a charitable organisation in the U.S. on terms which enabled Revlon to deduct the cost of manufacture for tax purposes.

Some of the UK wholesalers who are defendants in the present dispute acquired this product directly or indirectly from the charity, though they also imported some quantities which may have been placed by Revlon on the open market in the U.S. or elsewhere. This product, like other Revlon products, bears the brand name Revlon Flex without any indication of the place of manufacture but with an indication of the international reputation by the inscription "New York, London, Paris" on the package.

Revlon Inc. and three of its subsidiaries asked in the High Court for an injunction banning the distribution of this product in the UK by the nine importers on the grounds that it infringed their trademark rights and the passing-off laws but were refused such an injunction by Mr. Justice Dillon on October 31, *1979. This refusal has now been* confirmed by the Court of Appeal.

Lord Justice Templeman said, "In my judgment where a parent company chooses to manufacture and sell, wholly or partly through a group of subsidiary companies in different parts of the world, products which bear the same trade mark and attract an international reputation, neither the parent nor any *subsidiary can* complain in the United Kingdom if those products are used, sold and re-sold under that trade mark." Lord Justice Templeman quoted with approval Mr. Justice Clauson who as early as 1930 said** ". . . anyone may use the plaintiff's mark on the plaintiff's goods since that cannot cause the deception which is the test of infringement."

Surprisingly, this ruling comes very close to the effect of the European Court's decision allowing Centrafarm to repack Valium under Roche's label but without their permis*sion.* Referring to Revlon's complaint that the reputation which they have acquired in the UK by selling expensive goods will be damaged if the defendants sell similar goods cheaply, Lord Justice Templeman said that "this attempt by *the plain*tiffs to enforce price fixing by the back door is not sustainable." In his judgment, companies forming part of a multinational group cannot use the English law of passing-off to prevent their own goods, put into circulation by their own group, from being exported from the U.S. and sold in the UK at prices determined by the importers.

This comes as close as possible to discovering that the exhaustion doctrine is part of common law. And Dr. Hartmut Johannes, the EEC Commission's knight, fighting the *dragon of patent* and trade mark rights whenever these clash with the principle of unrestricted competition, must have felt great satisfaction when reading this judgment.

It is, of course, based on quite different grounds than those which sustain the Luxembourg trade mark judgments. The English judges dismissed the argument of passing-off by holding that there was no deception and the argument of trade mark infringement by holding that the function of a trade mark is to indicate the *origin* of the goods, which in this case can be considered a group product. They relied on Section 4(3) of the Trade Marks Act 1938, reasoning that the trade mark registered by Revlon Swiss was an asset of the Revlon group as a whole and that it was used by the defendants "in relation to goods connected in the course of trade with Revlon Overseas, the registered user of the trade mark."

Moreover, as Lord Justice Buckley said, Revlon sells its *products* to U.S. wholesalers without any condition against export. It could not, therefore, object to the export of such products and none of its subsidiaries could do so either, because of the control which the American company had over them. This implies that all have consented to the use of the Revlon Flex trade mark on the goods, the importation of which in the UK they now oppose.

*Court of Appeal, London, Civil Division, Ref. 1979 R No. 2675. Revlon Inc. and others v Cripps and Lee and others November 22, 1979, unreported.

**In Champagne, Heidsieck v Buxton (1930) Reports of Patent Cases, 28.

Jockey Club whip warning

RACING

BY DOMINIC WIGAN

FEW WILL be anything but wholeheartedly in agreement with the basis of a general instruction on the use of whips, which has been issued to all local stewards through Clerks *of the Course.*

The instruction reads: "The stewards of the Jockey Club are extremely concerned with the apparent increase in the misuse of whips in races and wish your stewards to exercise more fully their powers under the published instructions and rules.

"The stewards of the Jockey Club particularly wish it to be made clear that it is not essential that veterinary evidence of a marked horse has to be produced before a rider may penalised.

"If, in the steward's view, a rider has used his whip excessively in any way, he is guilty of improper riding and thus has *committed a breach of* Rule 153. If there is, in addition, evidence of injury to the horse concerned, the stewards should take this into acount when deciding on the penalty to be imposed.

"In this respect, stewards of meetings are asked to be particularly vigilant for cases where horses which have no chance of being placed in the first four are urged on under the whip unnecessarily. They are also asked, where they are dealing with apprentice or conditional jockeys, to take into account the trainer's responsibility for his rider and to take such action against the trainer as they consider necessary."

Provided that the weather relents, the Cheltenham Gold Cup picture, following Saturday's Fulwell Chase at Kempton Park, may have a different complexion on it. In that event a clash is envisaged between the bitter King George VI Chase failure, Border Incident, and a smart pair in Modesty Forbids and King Weasel.

Newton Abbot looks to have good prospects weatherwise today, but there must still be considerable *doubt over Lingfield.*

LINGFIELD
1.30—Dakar***
2.00—Marleymix
2.30—Owen Glin
3.00—Roller Coaster**
3.30—Henry Bishop
4.00—Eddie

NEWTON ABBOT
1.15—Bold Front
2.15—Lizandon
2.45—Strathclyde
*3.15—Loving Words**

TV Radio

BBC 1

† Indicates programme in black and white

9.00 am For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 Heads and Tails. 2.00 You and Me. 2.15 For Schools, Colleges. 3.53 Regional News for England (except London). 3.55 Play Schools (as BBC2 11.00 am). 4.20 Deputy Dawg. 4.25 Jackanory. 4.40 Screen Test. 5.00 John Craven's Newsround. 5.10 Blue Peter.
5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
6.55 Tomorrow's World.
7.20 Top of the Pops.
8.05 Wildlife on One.
8.30 Watch This Space.
9.00 News.
9.25 Play for Today: "Dreams of Leaving," by David Hare.
10.25 Platform One.
10.55 Most Wanted.
11.40 Weather/News.

All Regions as BBC1 except as follows:—

Wales—2.15-2.35 pm I Ysgolion. 5.55-6.20 Wales Today. 6.55-7.20 Heddiw. 11.40 News and Weather for Wales.

Scotland—10.10-10.30 am For Schools. 12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 10.25 Current Account. 10.55 Ray Bradbury—The Illustrated Man. 11.45 News and Weather for Scotland.

Northern Ireland.—11.30-11.50 am For Schools. 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 6.55-7.20 Sportsweek. 11.40 News Headlines. 11.44 Tomorrow's World. 12.09 am News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

11.00 Play School.
4.50-5.30 pm Open University.
†5.35 Flash Gordon Conquers The Universe.
†5.55 Will Hay In "Oh, Mr. Porter!"
7.15 News.
7.25 Newsweek.
8.00 It's Patently Obvious.
8.30 Public School.
9.00 MASH.
9.25 Man Alive (punishing young offenders).
10.15 Richard Stilgoe takes an optimistic look at the week.
10.40 Athol Fugard: "A Lesson from Aloes" (insight into the evolution of a play).
11.40 Late News.

LONDON

9.30 am Schools Programmes. †10.46 Bertrand Russell speaks His Mind. 11.05 Schools (continued). 12.00 Topper's Tales. 12.10 pm Stepping Stones. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 After Noon Plus. 2.45 General Hospital. 3.45 Looks Familiar. 4.15 Children's Matinee: "Young Pioneers."
5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Crossroads.
7.00 Wish You Were Here . . ?
7.30 Bernie.
8.00 Armchair Thriller.
8.30 TV Eye.
9.00 Chief of Detectives.
10.00 News.
10.30 Inside Business.
11.00 Lou Grant.
12.00 What The Papers Say.
12.15 am Close: Personal choice with Rosalie Crutchley.

All IBA Regions as London except at the following times:—

ANGLIA

1.25 pm Anglia News. 2.45 Houseparty. 3.15 Superstar Profile. 4.15 The Bubblies. 4.25 Rocket Robin Hood. 4.45 The Next Week Show. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 7.00 Survival. 10.30 Shop! 11.00 Power Without Glory. 12.00 The Living Word.

ATV

12.30 pm Gardening Today. 1.20 ATV Newsdesk. 4.15 Windows. 4.20 The Jetsons. 4.50 Project UFO. 6.00 ATV Today. 7.00 Emmerdale Farm. 10.30 Format V. 11.10 ATV Newsdesk. 11.15 Lou Grant.

BORDER

1.20 pm Border News. 2.45 Houseparty. 3.15 Out of Town. †4.15 Thursday Matinee: "Too Many Crooks," starring Terry-Thomas and George Cole. 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 10.30 Celebrity Concert (Tom Jones). 11.30 Soap. 12.00 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News and What's On Where. 4.18 Project UFO. 5.15 Emmerdale Farm. 6.00 Report at Six. 7.00 Walking Westward. 10.28 Channel Late News. 10.35 Logan's Run. 11.25 The Thursday Film: "The Clairvoyant." 12.45 am News and Weather in French.

GRAMPIAN

9.20 am First Thing. 1.20 pm North News Headlines. 4.15 Little House on the Prairie. 5.10 The Electric Theatre Show. 5.40 Police News. 6.00 North Tonight and Area Weather Forecast. 7.00 Welcome to the Ceilidh. 10.30 Reflections. 10.35 Soap. 11.00 Luke's Kingdom. 12.00 Exeter. 12.30 am North Late Night Headlines.

GRANADA

1.20 pm Granada Reports. 4.15 Salvage 1. 5.10 This Is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 The Incredible Hulk. 10.30 Celebration. 11.00 What The Papers Say. 11.20 Bluey.

HTV

1.20 pm Report West Headlines. 4.15 Spiderman. 4.45 Wyatt's Place. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 7.00 Emmerdale Farm. 10.30 Gallery. 11.05 Kaz. 12.00 George Hamilton IV.

HTV Cymru/Wales—As HTV general service except:— 9.52-10.07 am Am Gymru. 10.48-11.03 Mwy Neu Lai. 1.20 pm Penawdau Newyddion y Dydd. 1.25-1.30 Report Wales Headlines. 4.45 Ser. 5.15-5.20 Cartoontime. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Sports Arena. 10.30-11.05 Image.

SCOTTISH

1.20 pm News Headlines and Road and Weather Report. 4.15 Little House on the Prairie. 5.10 Cartoon. 5.20 Crossroads. 6.00 Scotland Today. 6.35 Letter from North Ronaldsay. 10.30 Mr. Scotland. 11.00 Superstar Profile—Woody Allen. 11.30 Late Call. 11.35 Mannix.

SOUTHERN

1.20 Southern News. 2.45 Houseparty. 3.15 Selwyn. 4.15 Project UFO. 5.15 Cartoon. 5.20 Crossroads. 6.00 Day By Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 10.30 Southern News Extra. 10.35 Cross-Channel. 11.05 Twist in the Tale.

TYNE TEES

9.20 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookaround. 4.15 Fangface. 4.45 The Life and Times of Grizzly Adams. 6.00 North East Headlines. 6.25 Northern Life. 7.00 Emmerdale *Farm.* 10.30 *Northern* Scene. 11.00 North East News Headlines. 11.06 Invitation Snooker. 11.30 SOAP.

ULSTER

1.20 pm Lunchtime. 4.13 Ulster News Headlines. 4.15 Little House on the Prairie. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.50 Police Six. 7.00 Emmerdale Farm. 10.29 Ulster Weather. 10.30 Counterpoint. 11.15 Family. 12.10 am Bedtime.

WESTWARD

1.20 pm Westward News Headlines. 4.15 Gus Honeybun's Birthdays. 4.18 Project U.F.O. 5.15 Emmerdale Farm. 6.00 Westward Diary. 7.00 Walking Westward. 10.32 Westward Late News. 10.36 Westward Report. 11.05 Politics West. †11.25 The Thursday Film: "The Clairvoyant," starring Claude Rains and Fay Wray. 12.45 am Faith For Life. 12.50 West Country Weather and Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. 4.15 Fangface. 4.45 Salvage. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 10.30 With a Little Help. 11.00 Luke's Kingdom. 12.00 The Mary Tyler Moore Show.

Radio Wavelengths

1 1053kHz/285m 1089kHz/275m
2 693kHz/433m 909kHz/330m & 88-91vhf stereo
3 1215kHz/247m & 90-92.5vhf stereo
4 200kHz/1500m & 92.5vhf

BBC Radio London: 1458kHz, 206m & 94.9vhf
Capital Radio: 1548kHz, 194m & 95.8vhf
London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(s) Stereophonic broadcast.
‡ Medium wave

5.00 a.m. As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 p.m. Andy Peebles. 4.31 Kid Jensen. 7.00 Talkabout. 8.00 Mike Read. 9.50 Newsbeat. 10.00 John Peel (s). 12.00-5.00 a.m. As Radio 2.

RADIO 2

5.00 a.m. News Summary. 5.03 Steve Jones (s) including 6.15 Pause for Thought. 7.32 Terry Wogan (s) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.03 Jimmy Young (s). 12.15 p.m. Waggoners' Walk. 12.30 Pete Murray's Open House (s). 2.15 Ray Moore (s). 4.15 Much More Music (s). 5.00 News. 5.05 Waggoners' Walk. 5.20 John Dunn (s). 6.45 Sports Desk. 7.02 Country Club (s). 9.02 Folkweave (s). 9.55 Sports Desk. 10.02 The Peter Goodwright Show. 10.30 Star Sound Extra. 11.02 Brian Matthew with Round Midnight, including 12.00 News. 2.02-5.00 a.m. You and the Night and the Music (s), including 4.02 Cricket: Australia v West Indies.

RADIO 3

6.55 a.m. Weather. 7.00 News. 7.05 Overture (s). 8.00 News. 8.05 Morning Concert (s). 9.00 News. 9.05 This week's Composer: Gluck (s). 10.05 Shostakovich (s). 10.35 Geoffrey Bush concert (s). 11.20 Bournemouth Sinfonietta concert, part 1 (s). 12.00 Interval Reading. 12.10 p.m. Concert, part 2. 1.00 News. 1.05 Manchester *Midday Concert* (s). 2.00 Haydn and Smetana chamber music concert (s). 3.00 Youth Orchestras of the World Concert, part 1 (s). 3.50 Interval Reading. 3.55 Concert, part 2. 4.55 News. 5.00 Mainly for Pleasure (s) (‡and mono only from 6.30). 7.15 Talking About Music (s). 7.45 "Hope," play by David Cregan (s). 8.40 In Reper*tory (s). 9.40 Politics in India (talk* by Professor Stephen Koss). 10.00 Building a Library of records (s). 10.30 Sibelius' Symphony No. 1. 11.10 Music in our Time (s). 11.55-12.00 News.

VHF Only—6.30-7.15 p.m. Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News headlines, 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. *10.05 Fat Man on a Bicycle (S).* 10.30 Daily Service. 10.45 The Bridge of San Luis Rey. 11.00 News. 11.05 Analysis. 11.50 Sean's Story. 12.00 News. 12.02 pm You and Yours. 12.27 Detective. 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen With Mother. 3.15 Afternoon Theatre. 4.15 Any Answers? 4.45 Short Story. 5.00 PM News Magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Lord Peter Wimsey. 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 Chicago Symphony Orchestra, concert, part 1: Blacher, Tchaikovsky (S). 8.15 A Double Life: interview with Winifred Gérin. 8.35 Chicago SO, part 2: Beethoven (S). 9.15 Pineapples, Martellos and Temples. 9.30 Kaleidoscope. 9.59 Weather. 10.00 *The* World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 3.03 *Showcase.* 4.30 London News Desk. 5.35 Look, Stop, Listen. 7.03 Black Londoners. 8.00 The Extra Ordinary Level Show. 8.50 Question Time from the House of Commons. 9.50-5.00 am Join Radio 2.

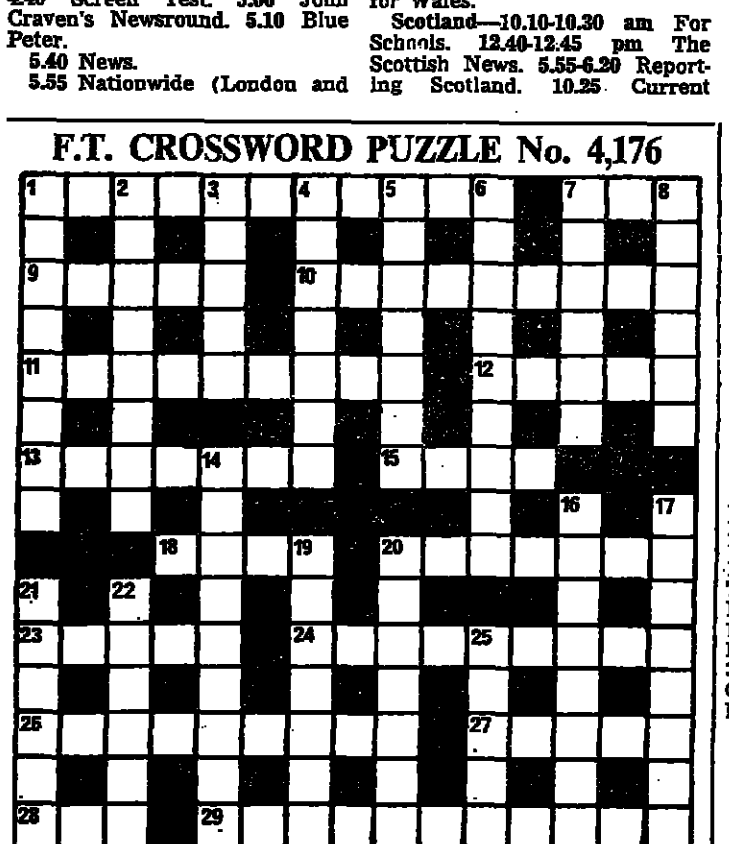
London Broadcasting

6.00 am AM with Bob Holness and Douglas Cameron. 10.00 The Brian Hayes Show. 12.00 LBC Reports 8.00 After Eight. 9.00 Nightline. 12.00 LBC Reports Midnight. 1.00 Night Extra. 5.00 Morning Music.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 12.0 Mike Allen (S). 3.00 pm Roger Scott (S). 7.00 Lord George-Brown's Capital Commentary (S). 7.10 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Nicky Horne's Your Mother Wouldn't Like It (S). 11.00 Tony Myatt's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 4,176



ACROSS

1 Complete with runners in high spirits (4, 2, 5)
7 Stuff for the bed-sitter (3)
9 Money-making music (5)
10 Outlaw used to steal wearing cover for head (5, 4)
11 Appears to auction room to be quick (4, 5)
12 Police heard in wood (5)
13 Committee newsman got on (7)
15 Music from one of the Stones (4)
18 Circle *piano* with useless work from composer (4)
20 Fault in limb he's broken (7)
23 Relation picked up after the match (2-3)
24 Not interested in a sad . . . (9)
26 . . . drunk getting to notice awkward situation (5, 4)
27 Doctor comes to boring bit of speech (5)
28 Manage to back united railmen (3)
29 Crazy having animal beaten to death (4-7)

DOWN

1 Ventilator to suit groups of supporters (3, 5)
2 50-1 pussyfoot has spoken by the shore . . . (8)
3 . . . so as I can renovate deserted refuge (5)
4 Stop girl pump attendant (7)
5 A right one getting his teeth into umpire (7)
6 Air revolution in vocal series (4, 5)
7 Supply forgotten words ready for delivery (6)
8 Artful character playing in Brooklyn (6)
14 Bathes fascinating female light controller (9)
16 I would upset effort to seize goods in default (8)
17 Southern drudge showed the way in bonds (8)
19 Keener cheat (7)
20 Female supporter goes to northern bath for lucky dip (4, 3)
21 Chap creating bad visibility (6)
22 Continue to signal bottle (6)
25 Monster that never lost its head (5)

Solution to Puzzle No. 4,175

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THE ARTS

An architectural capriccio by Piranesi, which formed part of the von Hirsch collection sold in London in the summer of 1978.

Piranesi in Rome

by WILLIAM WEAVER

Winter was very slow in coming to Rome this year. Well into December there were warm, bright days, when Romans could leave the house without overcoats and—the most usual winter gear—umbrellas. Tourists sat at the cafes and restaurants on the sunny side of Piazza Navona, as if it were full summer. The clement weather was a boon also for the more diligent sight-seers; and they received yet another boon from the city, which chose this period to celebrate (with a year's delay) the bi-centenary of Piranesi's death in 1778.

The celebration took the form of five exhibitions under the general title *Piranesi nei luoghi di Piranesi* (Piranesi in Piranesi's places), a brilliant idea, splendidly executed. The five shows complemented one another perfectly, and yet each one was, singly, a complete experience. There was also, it seems, a minimum of repetition of the important Piranesi exhibitions in Venice and London in 1978.

The largest of the five Roman shows was installed in the Castel Sant'Angelo and, naturally, was devoted to the "Prisons." As opera-lovers familiar with *Tosca* will recall, the Castello—or, more properly, the Mole Adriana—served as a prison into the 19th century. Certainly, its gloom is Piranesian; and the engravings were to be seen at intervals along the dark, winding main ramp. The art historians responsible for the installation provided, along with various states of the works themselves, photographs of other ancient Roman prisons—the Mamertine in particular—which probably contributed to the artist's inspiration. Here and there, thick hawsers were looped over the climbing ramp, repeating a theme of the engravings.

It was a relief, then, to come up to the Loggia of Julius II, where the *Vedute*, the views of Rome, were ingeniously displayed (and again, complemented by photographs taken at various times). The visitor could shift from Piranesi's view to the Rome of today, where—beneath the modern encrustrations—the city of 200 years ago is still legible.

From the grim prisons one went gladly to the airy orti farnesiani, the gardens devised by the Farnesi family on the Palatine, above the Forum. The Farnese created the first botanical garden in the world; later, when the property passed to the Bourbons of Naples, it was allowed to grow rank, and so it remained. Piranesi visited the Palatine often, also to study what was left of the Domus Augustana and of the Domus Flavia. Now the Comune of Rome has restored two charming aviaries, twin pavilions, on the terrace of the gardens, and here a second Piranesi show was devoted to the artist's archaeological pursuits, his studies of the Field of Mars, of the vast Mauseleum of Costanza, and—among other reconstructions and interpretations—his magnificent engravings of Trajan's column.

Even in December, there were fragrant roses in bloom in the gardens outside and orange trees hung with fruit (a sign saying "poison" seemed to have successfully discouraged vandals). There were roses and oranges also in the gardens on the Aventine, where a third show illustrated Piranesi's activities as an interior designer.

This show was arranged in the courtyard of the Istituto di studi romani. A few steps away there is the square of the Knights of Malta, designed by Piranesi, and just west of it, Piranesi's only work of architecture, the church of Santa Maria del Priorato, where the artist is buried. The church is the priory of the Knights of Malta, and is hardly ever open to the public (I lived in Rome for 20 years without being able to see it). The building is small, elegant, fanciful yet restrained; the interior is white, severe. During the period of the exhibitions, the public was able to visit it for a few hours on Tuesday and Saturday mornings.

At the Istituto nazionale per la fratica (also known as the Calco-grafia nazionale), near the Trevi fountain, the technical aspect of Piranesi's work was indicated; several of his copper plates were to be seen there.

Piranesi's interests were not confined to the city limits of Rome: he also investigated the province, the area of Lake Albano, and the antiquities of Cora (on which he published a separate volume). In the modern town, now called Cori, the fifth Piranesi show documented these excursions of the artist, who emerged from this celebration as a figure of greater versatility, of more profound understanding than most visitors to Rome—familiar only with the most famous, most (and worst) *reproduced* works—would previously have suspected.

King's Head

Shakespeare Lady

The heart sinks at the sight of plush red curtains decorating a bare stage populated by two actors, two chairs, a desk and a writing pad. This is the world of lecture tour theatre, of Sunday nights at the Old Vic, of British Council subsidy, of bookings on the American campus circuit. The Shakespeare Lady is Fanny Kemble (1809-93), niece of Sarah Siddons, daughter of Charles Kemble, and impressionable diarist of the Georgian slave trade by virtue of an unfortunate marriage to Pierce Butler, who fell under the inexplicable Kemble spell in Philadelphia.

That marvellous graduate of the RSC in the '70s, Estelle Kohler, plays Fanny as an eager, elfin story-teller forever on the verge of tears. It is not a recognisable Fanny Kemble, who grew plump and grumpy with the passing years and was, despite her reputation as a diarist and social observer, completely arthritic as an actress. Miss Kohler delivers the *balcony* speech from Fanny's first play, *Romeo and Juliet*, with transluscent aplomb.

Leonard Burt

Estelle Kohler and Bill Homewood

But Fanny had come to the stage reluctantly, merely to stave off her father's financial problems as manager of Covent Garden. She makes no impression in the history of mid-Victorian acting, was abhorred by Macready and ended her days churning out second-rate autobiographical drivel and Shakespeare *readings* replete with trembling inflections and wooden, Siddons-style gestures. Henry James found her quaint.

The predictable case is made for Fanny as a victim in marriage of her own social conscience. But all the biographers have played that card before chiefly because very little is actually known about what went on in her marriage. Even the most balanced account, that of Dorothy Marshall published in 1977, can make nothing of Fanny's enticing words to Pierce on their daughters' shared birthday in 1838: "I will not remain here to be your housekeeper, your children's nurse, or what yet you make of me *that is still more degrading and revolting.*" (My italics).

Bill Homewood, who also directs, fills in as a sorely misrepresented Macready (it was *he* who complained about Fanny's outmoded histrionics as Lady Macbeth and Desdemona, not *she* who was in the vanguard of naturalism), the shady husband, an all-purpose lecture tour narrator, Henry James and Henry Greville. No room in this scheme for the major correspondent, Harriet St. Leger. The show springs sporadically to life when Miss Kohler reads as Fanny Kemble could never possibly have done from *As You Like It* and *The Tempest*. These moments are a celebration of contemporary Shakespearian interpretation and have nothing to do with the style or memory of the evening's heroine.

MICHAEL COVENEY

Elizabeth Hall

Beaux Arts Trio

by DOMINIC GILL

At one of their familiar but still too infrequent appearances on the South Bank, the Beaux Arts confirmed on Tuesday night their rank—if confirmation were needed in this 25th anniversary year—as one of the great piano trios of our time. It was an immaculate recital, even by the ensemble's own high standards, and an evening of brilliant contrasts: a finale of Chaikovsky, and a first half of Haydn—whose E flat trio no. 10 they delivered with marvellous wit and sparkle—and Shostakovich.

If anyone can make a convincing case for Shostakovich's trio, it will be the Beaux Arts. They caught every flat, dull colour of the music and filled it with warmth and resonance—the wry opening andante; the scherzo, tongue-in-cheek; the slow movement's histrionic lament, set in a frame of sub-Mussorgsian catacombs; the finale's vulgar fantasy. I've never liked the work; but in this performance, of the greatest conviction and lyrical refinement, I liked it more.

To find the Chaikovsky piano trio in a recital programme is as welcome as it is rare. One understandable, and perhaps the chief, reason for the work's neglect is the very considerable virtuosity of the piano part: most trio pianists can't cope. But Menahem Pressler — like Jan Panenka of the Suk Trio, whose speciality the Chaikovsky used to be — most egregiously can: *and spendidly.* He gave the fiendish, fast-rippling third variation of the second movement as transparently as one could wish; and if the waltz variation was a shade too fast for perfect *musical* comfort, every note was in its place. A magnificent account, grand and fine-grained, full of unexpected turns.

Record Review

The Christmas Oratorio

by SHANE FLETCHER

J. S. Bach. Christmas Oratorio. Regensburger Domspatzen, Collegium St. Emmeram, soloists / Schneidt. Archiv 2710 024. (3 records) £15.17.

C. P. E. Bach. Eight Symphonies, Academy of Ancient Music/Hogwood. L'Oiseau-Lyre DSLO 557-8. (2 records). £10.50.

Marchand. Pièces d'Orgue. Gillian Weir. Argo ZK 57. £3.50.

Music of the Renaissance Virtuosi. James Tyler (lute, baroque guitar, mandora), Nigel North (lute, theorbo, cittern), Douglas Wootoon (lute, bandora), Jane Ryan (bass viol). Saga 5438. £2.75.

One of the joys of Archiv's new recording of the *Christmas Oratorio* is its local, rather than international, flavour. The all-male Regensburg choir supplies the treble and alto soloists and the tenor and bass are former members. The orchestra, playing old instruments or reconstructions, has worked with the choir and the conductor, Hanns-Martin Schneidt, since 1972. The tenor and bass soloists sing with fresh, open tone; Nikolaus Hillebrand takes Grosser Herr o starker König without roaring the passage-work—the sound is all contained in the notes themselves. The boy alto, Michael Hoffmann, has a warm voice with a full vibrato and the two trebles sing their long phrases without too much strain, though their vowels distort at the top.

In the chorales and large choral movements, the "authentic" forces allow the accompaniment to be heard clearly; in the arias, on the other hand, the balance is upset by forward placing of the singers, obscuring the fine *obbligato* solos. Hanns-Martin Schneidt's approach is relaxed and smooth. The chorus framing the third cantata, prone to overaccented choppiness, has an easy swing. But much of the music is too relaxed.

The second part, opening with a languorous account of the *sinfonia*, lacks the urgency of the text. The rocking alto solo *Schlafe mein Liebster* moves very slowly, lasting more than ten minutes. There is sometimes too long a gap between movements, breaking the continuity before and after chorales. Some may not like the sustained organ accompaniment in the recitatives and the scarcity of conventional Baroque ornamentation — the

Gillian Weir

trebles do not sing any of the trills marked in by Bach. Nevertheless, stylistic unity counts for a good deal in Bach's music, especially when undertaken as carefully as in this recording.

The revolution in musical style in the middle of the 18th century was as violent as any in the history of music. Nowhere is the contrast seen more forcefully than in the music of old-fashioned Sebastian Bach and that of his son Emmanuel. The six symphonies of 1773 by C. P. E. Bach are turbulent and emotional—neurotic, one might almost say. While J. S. Bach's *Christmas Oratorio* of just 40 years earlier is concerned with the performance of six cantatas over several days, these symphonies concentrate a wide range of musical ideas into ten-minute works.

In this superb performance by the Academy of Ancient Music, Christopher Hogwood emphasises the aggressive side of the symphonies with some very fast tempi and a lack of gaps between movements. The fragmented nature of the music is brought about by abrupt changes of key, dynamics and texture—rugged sparseness alternating with rich harmonies. The A major symphony, on the other hand, has all the elegance that becomes associated with this key in the music of Mozart. (Baron van Swieten, who commissioned the symphonies, took them with him to his home in Vienna where Mozart and Haydn, frequent visitors, may well have studied them.) The two-record set also includes two of C. P. E. Bach's symphonies in a more conventional idiom (earlier works, written for Berlin in 1755) which add woodwind and brass to the strings and continuo of the later pieces.

Gillian Weir has recorded a selection of Louis Marchan's music on the organ of St. Maximin, Thionville, an instrument containing some 18th-century pipework. Most of Marchand's extant music was intended for the liturgy, and some of the pieces sound like written-down improvisations — especially the *récits*, for accompanied solo stops. Marchand was a much-travelled performer to whom improvisation was second nature (like so many French organists); the fascinating story of his public contest against J. S. Bach has been proved untrue. The most extended work on the record is the "Dialogue sur les Grands Jeux" that comprises the *Troisième Livre* of Marchand's work; its size allows Marchand more tonal organisation than is possible in the shorter pieces. The engineer, Stanley Goodall, has achieved a remarkable degree of clarity in a very resonant acoustic and Gillian Weir plays throughout with firm rhythm and clear registration.

Music of the Renaissance Virtuosi includes just four tracks for solo lute; others add a second lute and bass viol, and two feature less frequently heard instruments of the period —the guitar and mandora. Most of the music dates from around 1600. The title of the record might lead one to expect a collection of vapid showpieces. Far from it; three early 17th-century toccatas are contemplative rather than virtuoso. Elsewhere the more elaborate writing is controlled by that favourite device of the period, the ground bass. English music is represented by Ferrabosco's Spanish Pavan (though Italian by birth, Ferrabosco spent much of his working life at Queen Elizabeth's court) and a splendid Fantasia by Dowland, moving from a restrained beginning to an energetic conclusion. James Tyler and his associates play with vigour, giving the music an exuberant sound.

Golden Theatre, Broadway

Watch on the Rhine

by FRANK LIPSIUS

If there were any doubts about the contemporary relevance of Lillian Hellman's 1941 play, *Watch on the Rhine*, it was dispelled by events concerning the production itself, which has just opened on Broadway.

After a successful run at Connecticut's Long Wharf Theatre, where Lillian Hellman herself saw it and praised it, the play came to Broadway and was scheduled to close after mixed reviews and five performances. The play originally goaded America toward fighting against Fascism in the ambivalent spring of 1941, when Broadway was otherwise shamelessly trying to laugh the war away with successful comedies like *Arsenic and Old Lace, Blithe Spirit, Sons of Fun,* and *Banjo Eyes.*

The revival remains faithful to its time and place, coaxing out all the pathos and sympathy that Miss Hellman put into the unlikely but no less tragic story of a family's escape from Germany and their courageous fight against Fascism. With anti-Nazi fighters being caught right and left, Sara Muller (Joyce Ebert) turns up at her mother's door step in suburban Washington, escorting her hunted German husband and their three pubescent children. Unfortunately, the Farrelly family estate already has houseguests, a penniless Romanian count and his American wife. As everyone knows, no one can be more unscrupulous than impoverished nobility — from Eastern Europe, to boot. In the midst of the U.S.'s confused neutrality, this play made Americans recognise the need to join their natural allies in order not to fall victim to their common foe.

Every part is played to emphasise the symbols the characters stand for. While the Count (Harris Yulin) personifies evil, and George Hearn could not be a more patient, understanding and loquacious revolutionary-cum-father, Jan Miner as Fanny, no uncertain mistress of her own home, embodies the confused neutrality Americans instinctively feel, and must overcome, to recognise their duty.

The Hellman play polarised the War, down to details like having a French companion for Fanny. I suppose, just to point out our foreign-speaking allies. (There seems no other justification for the part: poor Anise disappears midway through the second act never to reappear.) The revival emphasises the play's antagonisms, starting in a slow southern rhythm that *accelerates as Americans face* the challenge and follow their clear and present duty in the face of unabashed Fascist blackmail. For the production itself, the backers' decision to close the play brought the actors and director to volunteer a pay cut for themselves, and $27,500 was raised, in a week. The show will go on. The Hellman challenge is happily being interpreted as an endorsement of the play and its continued presence on Broadway.

Cambridge

Chicago

This entrancing show is now adorned by some new players in the leads. The part of Roxie Hart, whose trial for murder in 'twenties Chicago is the source of all the jokes (and *Chicago has more and better jokes than* musicals usually do), is now played by Elizabeth Seal. Miss Seal, with her dark auburn hair and dark eyes, is a different Roxie from her predecessor, but no less attractive. She has a figure as lithe and limbs as well under command as ever she had in the days of *Irma-la-Douce*, and indeed seems not to have changed much since those times. She needs perhaps a bit sharper edge in this part; there are moments when she seems almost middle-class; and class, as Hope Jackson and Jeiny Logan sing in one of the show's best numbers, is an item quite lacking in this landscape.

Colin Bennett has taken over the part of *Billy Flynn*, the lawyer who claims that if he had been around, and Jesus Christ had had five thousand dollars, things might have turned out differently. He radiates the shabby charm the part requires.

For the rest, *Chicago*, now in its ninth month at the Cambridge, continues to offer generous quantities of music, fun and even thought, and I commend it warmly.

B. A. YOUNG

The London Room

Lulu

by ANTONY THORNCROFT

Lulu, the very name has a period ring to it these days, evocative of simplicity, anonymity, innocence. But the lady is still working, having matured from Glasgow hell-raising to sharing a platform with Mrs. Thatcher and becoming so bland that the BBC considers her safe to soothe the Saturday night stay-at-home television audience, the least demanding in world history.

Her cabaret act is beautifully designed to fit anyone. She opened with a disco medley, which saw her circling the stage, perhaps looking for an exit. An extended "Johnny B. Goode," which cried out for an exciting guitar solo, was followed by a parade of her hits —well, at least two songs. But by this time Lulu and the audience was warming up and by broadening the act by dragging in her sister Edwina Lawrie, one of the two backing vocalists, for a duet of Randy Newman's waspish "Short People," Lulu was well placed to wrap up a small triumph with a group of singalong songs, which indeed had the diners barking happily down the microphone. Six quick snatches of Elvis Presley and an encore of her theme song, "Shout!" and Lulu had done all that was expected of her, perhaps more.

This intimate kind of entertainment, preceded by a magician who assaults his glamorous assistant from every angle, is preferable to the over-blown spectacle of the Talk of the Town where the cost of an extravagant but dated stage show means that the very top performers can rarely be afforded. Humanity survives at the London Room, and was well used by Lulu.

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A rate going much too far

ALTHOUGH there is now said to be no going rate for wage settlements, there is always an average, and the latest figures make it clear that the average so far this year is far too high for the good of the economy. While both figures may prove deceptively high, as the Confdeeration of British Industry continues to claim, there is now virtually no hope of an outcome which is compatible with monetary targets or with any likely level of the exchange rate. We seem determined to learn the hard way.

Pressures

Rapidly rising labour costs increase the financial squeeze on industry, and the demand for borrowed funds: as we pointed out in our comments yesterday, this has the apparently perverse result of driving up both interest rates and the exchange rate, since a tight monetary policy reinforces the pressures caused by excessive costs. This means that even employers who have achieved rational settlements will face higher financing costs and fiercer foreign competition than would otherwise be the case, though it is to be hoped that their prospects will be markedly better than those of competitors who have allowed their costs to be pushed up.

Such, at least, is the intended result of monetary discipline, though as is already clear, there are some employers, including parts of the public sector, who are relatively immune from these presures. However, it does not seem likely that these alone have pushed the average up to its present level, for there is little evidence of a gap between manufacturing and other pay. Employers in general seem unaware as yet of the implications of tight money.

Many employers instinctively blame the unions for wage developments, over which they feel they have as little influence as over the weather; but it is not reasonable to expect unions to show any more restraint than their employers. Many of the settlements which make up the present average seem to have been conceded quite amicably. Even in the engineering industry, the scene of the major confrontation before the still unresolved steel strike, the final national bargain would have been compatible with figures considerably lower than the underlying rate the figures now suggest.

Some companies claim that they are in a position to secure sufficient increases in productivity to absorb much of the increase in hourly labour costs. While the gap between British and foreign performance makes it clear that this is entirely possible technically, such claims have in the past sadly exceeded performance. However, where the promise is delivered, the likely result, in a depressed economy, is simply a sharp reduction in employment, whether through redundancies or "natural wastage."

Where trade unions successfully resist an outcome so unpleasing to themselves, the consequences are likely to be visited still more unpleasantly on their employers. The number of companies in financial distress is increasing daily. In the end a sharp rise in bankruptcies may prove highly educative

The figures suggest that monetary targets and eloquent speeches are not enough to prevent such an unhappy course of events; the question is what more the Government can do, short of becoming embroiled in a further attempt at incomes policy. Two lines of approach suggest themselves. For the long haul, we are still awaiting signs of the far more energetic competition policy which is needed to reinforce existing market pressures in many parts of the economy. More immediately, the Government must reflect what kind of example it has set as an employer.

Confrontation

It is not consistent for a Government which has proclaimed the end of the "going rate" to continue to base so much of its own approach to pay on comparability. The Clegg Commission and the Pay Research Unit are the going rate in institutional form. It is simply untrue that such comparisons are the only guide in the absence of market pressures; market pressure—the shortage or surplus of labour—can be detected even in Whitehall.

It is true that any change in present arrangements would risk a sharp confrontation with the public service unions; but it now seems unhappily likely that only confrontation or the threat of bankruptcy will produce the change in attitudes which is so urgently needed—and which in the end is the objective of monetary policy itself. In the long run leading the regiment from behind may prove the most dangerous policy.

New rules for quangos

THE WORD quango, the acronym for quasi-autonomous non-governmental organisations, has now entered popular usage, although, as yesterday's White Paper on the subject pointed out, it is not an accurate description of the bodies to which it is meant to refer. For many of them the adjective quasi-autonomous is misleading. Far from being non-governmental, they generally represent an extension of government. Their main distinguishing feature is that they are non-departmental, in the sense that they are not formally part of a government Department. Nevertheless, the popular perception is entirely correct on the main issue—that there are too many of these organisations and that their value to the community is in some cases questionable.

More effective

There are three main categories: Executive bodies like the Manpower Services Commission and the Arts Council carry out a range of operational functions on the fringes of central government. Advisory bodies are set up, usually by government departments, to provide expert advice which is either outside the competence of the Department's own staff or thought to be a necessary complement to it. Finally the tribunals are often judicial in character, dealing with a specialised field of law, the administration of which lies with a particular government Department.

Some executive bodies have been in existence for many years, but the Fulton Committee on the Civil Service in 1968 gave a fillip to the idea that certain activtiles could be hived off from Government Departments into the hands of a separate agency. Such an agency, by concentrating on a narrow range of functions, might perform the task more effectively and at less cost than if it was carried out within the bureaucracy.

In principle the idea has attractions, but in practice the arm's-length relationship with Government Departments can lead to inadequate systems of control. The White Paper quotes the case of the Housing Corporation. As compared with a Government Department it has had advantages in promoting the growth of housing associations, but disadvantages "in the shape of duplication of detailed paperwork which did not in itself make for better safeguards on the use of the public money involved."

It seems clear that in future the hiving-off principle should be used much more selectively. Although a number of executive agencies especially the older ones working in less controversial fields, work smoothly and should be allowed to continue, it is difficult to strike the right balance between disengagement from detail and reserve powers of intervention. The considerable extension of hiving-off which was suggested by the Fulton Committee has had mixed results. The White Paper recommends that when a Department considers setting up a new fringe body to handle a particular problem, it should consult at an early stage with the Treasury and Civil Service Department, to ensure that the case for the new agency is sound and that the arrangements for safeguarding the use of public money are adequate.

Not measurable

The number of agencies which are to be wound up as a result of the review is sizeable but not dramatic—30 executive and 211 advisory bodies. The important point is that the review should not be regarded as a one-off exercise. There must be continuing efforts to assess the effectiveness of the agencies in carrying out their allotted tasks. This is particularly difficult in the case of advisory bodies whose output is not easily measureable. The tendency to give an indefinite life to committees whose work seems vaguely useful and not very expensive should be resisted. It is all too easy for committees to go on producing reports, or to commission consultants to produce reports, without being held accountable for the results. Wherever possible fringe bodies should have a finite mission and should be wound up when the mission is completed. Those which have a continuing function must be subject to regular reviews carried out by someone other than their sponsoring department.

Yugoslavia: tough nut for Russia

BY ANTHONY ROBINSON

YUGOSLAVIA IN Europe, like Pakistan and Iran in Asia, stands between the Soviet bloc and Russian dreams of access to warm-water ports. Even if the Soviet invasion of Afghanistan had not coincided with fresh fears about President Tito's health, world attention would sooner or later have been drawn to this fact.

In 1945 the Soviet Union actually had indirect access to the Mediterranean within its grasp when Yugoslavia and Albania entered the Soviet sphere of influence. But the expulsion of Yugoslavia from Cominform in 1948 and the subsequent rift with Albania ensured that the Russians never realised the old Czarist ambition.

In the north, Yugoslavia borders on Italy and neutral Austria. For the rest it is bounded by three Warsaw Pact countries — Hungary, Romania and Bulgaria — by iconoclastic Albania, and by the Adriatic. Lying as it does on an east-west axis, Yugoslavia is the main road and rail route for traffic from western and central Europe to the Middle East. Any resumption of Soviet control over the country would drastically tip the balance of power in Europe.

For more than 30 years the best guarantee against such an eventuality has been the Yugoslavs themselves. When Stalin expelled Yugoslavia from the Cominform he did so confident that "I only have to wag my little finger and Tito will fall." Tito, who had cemented his hold over the country by winning a bitter partisan war against Nazi invaders and a civil war as well, proved tougher than expected. He arrested thousands of suspected pro-Stalinist Yugoslavs, mobilised the armed forces and partisans, and made plain that, if invaded, Yugoslavia would fight.

Yugoslavia has consistently spent heavily on defence. It is now estimated to spend at least 10 per cent of its GNP on maintaining professional armed forces of 259,000 backed up by a sort of People's Army trained and equipped for guerrilla warfare. Yugoslavs are well aware that the main cities of Zagreb and Belgrade are highly vulnerable to any push across the flat Danubian plain. But elsewhere an invader would have to cope with the proven valour of Yugoslavs fighting on their mountainous home ground.

This is not to say that Yugoslavia is expecting invasion. The budgets of both the military and the internal security forces have been increased substantially over the last five years. There is also a consensus in Yugoslavia that it is a long-term Soviet aim to bring the country back into the Soviet sphere.

But, and it is a most important but, it is not the prospect of a crude Warsaw Pact invasion which exercises the mind of Yugoslavs. They worry about the potential, which will always exist, for undermining that unity in diversity which is the hall-mark of contemporary Yugoslavia.

Despite the enormous strides towards a sense of national unity and identity made since 1945, Yugoslavia is not a nation in the normal sense of the word. It has no common language and contains six officially recognised "nations" and 18 ethnic minorities. Economic and cultural differences are enormous. Per capita income in Slovenia, bordering on Italy and Austria, is six times that of mainly Moslem and Albanian speaking Kosovo in the south. What is more, the gap is growing in spite of a national development programme involving transfer of resources from the richer to the poorer republics.

It can be argued that the creation of a modern and relatively prosperous socialist federative republic from such unpromising material is one of the most extraordinary political achievements of the 20th century. The fundamental complexity of the country and long historical tradition of internal rivalries still require a continuing process of subtle political mediation and ideological agility.

Last year Mr. Edvard Kardelj, the principal thinker behind Yugoslavia's four post-war constitutions and the main architect of self-management socialism, died after a long illness. Mr. Milovan Djilas, the Communist Party's other intellectual giant, lives on. But he has abjured his Marxist beliefs and, officially, disgraced advocates a form of social democracy and a multi-party system.

Tito himself, ultimate linchpin of the system, is ailing and old. He has played such a central role that his death or incapacity cannot but change the ground rules he established.

He never has relinquished his role as ultimate arbiter continuing to play an active role into his late 80s. He frustrated and outlived a whole generation of potential successors. While Tito was there the younger generation of potential Yugoslav leaders did not have the opportunity fully to grow up and face their responsibilities.

Tito himself has looked closely at his associates and found them wanting. Like many a charismatic, authoritarian leader before him, he has not wanted or found a suitable dauphin to be groomed for succession. Mr. Stane Dolanc, a large, shrewd and outwardly jovial Slovene came closest to playing this role. He was called in by Tito to reorganise the Communist Party after the purge of Croatian nationalists in 1971. The constitutional arrangements introduced after 1974 created a complex system of revolving collective presidencies for top state, republican and party jobs. But Mr. Dolanc continued unperturbed as general secretary of the League of Communists. The only other top officials to remain outside the revolving committee principle were General Nikola Ljubicic, head of the armed forces, and General Franjo Herljevic Minister of the Interior and head of the security forces.

Last year, however, the revolving collective presidency idea was also extended to the League of Communists, and Mr. Dolanc stepped down to be replaced by Mr. Dusan Dragosavac, a rather colourless Serb from Croatia.

Mr. Dolanc stepped out of the limelight, but is not in disgrace. He still enjoys Tito's confidence and remains very much an *eminence grise*. Meanwhile Mr. Dragosavac holds the top party job for a period of two years until he in turn will be "rotated" and replaced by a top party man from another republic under the "national key" principle. This is better known in English as "Buggins's turn." It does not only extend to the few top state and party posts but applies right down the line. In the event of President Tito's death or incapacity the man who will formally replace him will be Mr. Lazar Kolisevski. This is not so because Mr. Kolisevski is considered the right man for the job, but because, as representative of his native Macedonia in the nine man revolving presidency of the state praesidium, it is his nationality's turn to hold the post until May.

The idea behind the "national key" system is that it is the best way of de-fusing the awkward nationality question. The smaller and more backward republics fear that without such a mechanism Yugoslavia would inevitably come to be dominated politically by the Serbians—the largest national group with over one-third of total population — and economically by the Slovenes and Croats. On another plane it can be seen as a direct consequence of the power vacuum which exists around President Tito and the absence of a clear heir apparent to inherit his authority as a figure above petty rivalries. Whatever interpretation one cares to place on the system however its practical effects have not been very promising.

Promotion on the grounds of nationality rather than competence and the system of one or two-year tenancy of the top state and party posts has led to confusion, indecision and a potentially dangerous lack of clearly defined responsibility and authority. The effects can be most clearly seen in the economic sphere. The Yugoslav economy has been drifting for the last two or three years.

Inflation last year was well over 20 per cent, the trade deficit jumped by 50 per cent to \$6bn and the overall balance of payments deficit doubled to around \$2bn. Reserves fell and foreign borrowing rose to around \$13bn. The most disturbing effect of this deterioration has been increased difficulty in selling on Western, mainly EEC markets, and growing dependence on Comecon markets, both for exports and imports.

The Soviet Union has shown a considerable willingness to "understand" Yugoslavia's current economic difficulties and has stepped up its capital loans and joint investment programme. On several occasions it has bought goods from factories otherwise threatened with bankruptcy.

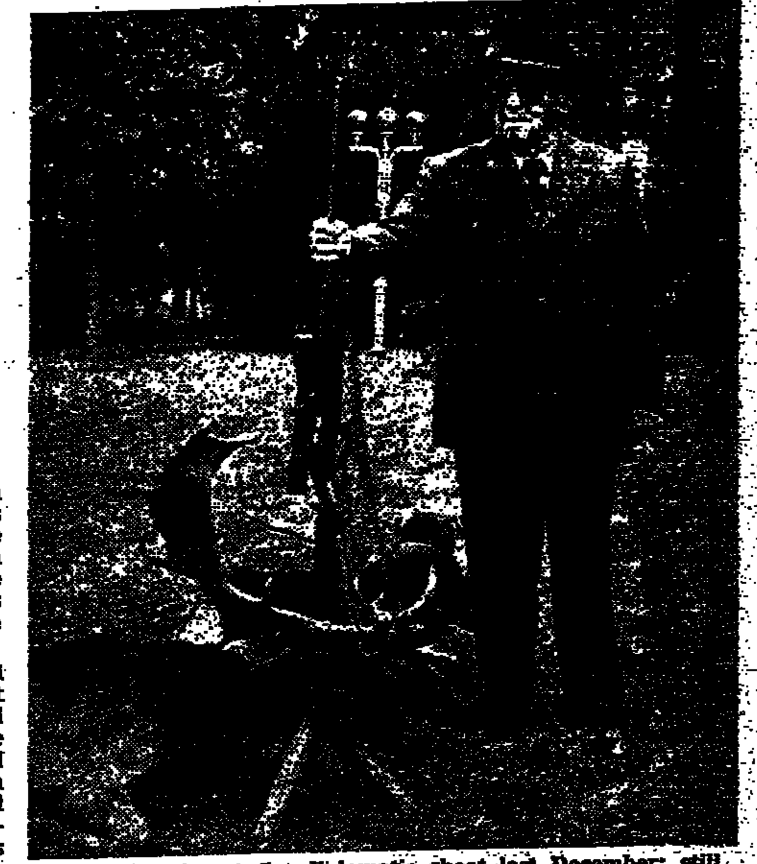
The Soviet Union has also proved helpful on the energy front and supplies 4m of the 16m tons of oil consumed annually by Yugoslavia — roughly equivalent to Yugoslav domestic production. At the same time it has agreed to sell 3bn cubic metres of gas annually from the new Orenburg gas pipeline.

The Soviet Union has become the largest single export market for Yugoslav goods. But over the first nine months of last year, Yugoslavia ran up an overall deficit of \$628m on its trade with the socialist countries, with exports of \$1.87bn and imports of \$2.5bn.

Growing economic dependence on Comecon carries with it the potential seeds of future political dependence. This is an argument which Yugoslav negotiators have sought to turn to their advantage during two years of tough, and so far inconclusive, negotiations for a new five-year agreement with the Common Market.

One result of the Soviet invasion of Afghanistan appears to be a new willingness on behalf of Community governments to grant some at least of the Yugoslav requests. But informed Yugoslavs recognise that at present Yugoslav goods are not competitive and that the solution to the problem lies in taking the appropriate decisions at home. They include a continuation of tough credit restrictions, investment curbs, and reduced subsidies. A substantial further depreciation of the dinar is also expected.

Development has been uneven and high living standards in the North have created the kind of consumer expectations all round which exceed the Yugoslav economy's capacity to satisfy. Unemployment is now running around 12 per cent of the workforce, in spite of the absence of over half a million workers abroad. Inflation and unemployment risk creating considerable political and social strains at a time when Yugoslavia is already living through an incipient crisis of authority and direction.


President Tito at the diplomatic shoot last December: still a good marksman at 87.

Retrenchment call

Yugoslavia's problems are more serious than often thought, but Yugoslavia has shown its ability to weather difficult times before. President Tito underlined the importance of restoring economic equilibrium and called for sacrifices and greater discipline. Military and internal security budgets have been increased, secret police surveillance of emigrant terrorist groups stepped up.

Yugoslavia's need for a period of retrenchment and consolidation at home is matched by a heightened sense of vulnerability in foreign affairs. One of President Tito's last achievements was to help head off the Soviet-backed Cuban effort to make the non-aligned movement little more than a claque for the Soviet Union. The Soviet invasion of formally non-aligned Afghanistan and its condemnation by third world countries in the UN General Assembly has underlined the justification of Yugoslav opposition to the idea that the Soviet Union is the third world's "natural ally."

It is doubtful, however, whether Yugoslavia's position in the non-aligned movement will survive in its present form under Tito's successors. Significantly Yugoslavia did not play a leading role in the UN General Assembly debate on Afghanistan but left the running to those Asian members of the movement most directly concerned.

Yugoslavia's championship of the non-aligned movement, and the principles of non-intervention in the internal affairs of sovereign states, has been a major plank in a foreign policy designed principally to maximise international support and raise the price of any possible future Soviet move against Yugoslav independence. This remains, but long-standing moves to strengthen Yugoslavia's own internal and external security and to forge closer financial, economic and political ties with the Common Market and the international financial and trading community reflect a desire for reassurance from the developed world as well.

Yugoslavia has no desire to provoke the Soviet Union and still sees non-alignment as the best long-term policy both for Yugoslavia itself, and both the major power blocs. This is not likely to change, in the post-Tito period. But, the next generation of Yugoslavs in power are not likely to share the deep personal commitment to the Soviet October Revolution felt by Tito even after the breach between Moscow and Belgrade. He did, after all, play a personal part, though only in a small way, in it.

But all this lies in the future. In the meantime the best guarantee of Yugoslav stability probably lies in the deep awareness throughout the country that unity is the key to survival. Ultimately the nations and peoples of Yugoslavia have little choice— they either hang together, or hang separately. If ever they appear to be in danger of forgetting that, the army, the security forces and the party can be trusted to remind them of it.

MEN AND MATTERS

Changing owners in mid-stream

Among the less pressing of British Steel's problems are two ships loaded with cheap U.S. coking coal destined for the Llanwern steel works which have been idling in the Bristol Channel since Christmas — Newport dockers blacked the cargoes at the request of Welsh miners.

Last week one of the ships, the Liberian-registered Casparia was allowed into Newport to take on fuel and stores. Soon after the ship docked, a spokesman for the 24 Taiwanese crew complained they had not been paid for weeks. This brought an International Transport Union official hotfoot from London to investigate.

Not only did he find the crew were owed £75,000, but the ship was also in the process of being sold by the beneficial owners, Fisser van Doornum, to a Yugoslav shipping line. A relief crew, it turned out, was on its way from Belgrade.

The new crew was kept ashore while negotiations continued, and the sale was blocked until the Taiwanese sailors got their back-pay, plus a promise of a further £22,500 covering the remainder of their 12-month contracts. Yesterday they flew home and the Yugoslavs took over, starting work immediately with paint pots. The ship's name and port of registration were painted out and the Casparia was promptly transformed into Nezera, registered in Siblik.

"Hold it, Boris . . ."

Nota bene

Information recently wheedled out of the Bank of England about the number of old white bank notes still not accounted for in the national ledgers has caused a flutter of excitement among Britain's collectors, or notaphilists as they call themselves.

The Bank, traditionally coy about disclosing figures for fear of fuelling speculation, provided the information in reply to a writetn question tabled by Kenneth Lewis, Tory MP for Rutland and Stamford. The response suggests that since the Bank last issued details in 1968, the number of £1,000 notes still at large has fallen from 63 to only 16.

Vincent Duggleby, widely recognised as a leading expert on currency notes, tells me he knows of six in collectors' hands and suggests the value in the collectors' market could be given a considerable boost. Colin Narbeth, director responsible for all "collectables" except stamps at Stanley Gibbons, is less forthcoming. The first effect he thinks, will be a sharp rise in the confidence of those who already have one or more of the notes in their collection. He does not think the market value will rise significantly, however, from its present level — around £7,000.

He was more intrigued by an alarming reduction in the numbers of white £20 notes during the past 12 years. There are now only 119 unaccounted for in the Bank's books, and Narbeth believes the current catalogue price of around £250 each could rise to more than £500.

The Bank of England feels collectors have little real reason to get excited. I was told that the fall in the numbers of white notes apparently at large can be explained simply by the Bank's policy of writing off unretrieved bills 40 years after the date of issue. In the 12 years since figures were last published some 47 £1,000 notes have thus passed into officialdom's limbo. Indeed, since white-paper currency was last issued in 1943, all outstanding bills will cease officially to exist three years from now.

I am assured, however, that if anyone turns up in Threadneedle Street with an out-dated issue, the "promise to pay" will be respected . . . always provided he is not swept away in the rush of avid notaphilists.

Talking shop

Those residents of Wimbledon fondly expecting a letter from someone yesterday left for work disappointed. A meeting, which I am informed by one present went on from 7 am to 8.45 am, held up the work of 150 or so postal workers at the Wimbledon sorting office. "Probably," said a Post Office spokesman "La prelude to the Union of Post Office Workers' conference in March."

It emerges, however, that the hiccough in postal deliveries was caused by a lecture from a woman executive from the postal district nerve centre in Battersea. She was, a now better-informed PO spokesman told me, explaining to staff the need to be more efficient, productive, adherent to the postal codes and accepting of mechanisation. The head postmasters have already had the workings of the new Two Year Plan era explained to them by the managing director. To get the details down to the ranks it is necessary to time the pep talks for the moment when most people are there, viz. I was told, with perfect logic, when the postmen are busiest.

Thinking about it

Reaction to the Maharishi's interest in the stricken Meccano factory is a little difficult to gauge, not least because the company has had the telephones cut off. The sitters-in have to communicate with the outside world through a telephone kiosk. In one of the rare moments when I was able to get through to this kiosk, I managed to catch Terry Culligan, a member of the joint shop stewards at the plant. "If there is a job at the end of it," he said, "we will talk to the devil himself. These TM people seem intelligent and we have been told there will not be any compulsion about joining."

The noises emanating from the top of the General and Municipal Workers' Union negotiators are more sceptical, not least because of the recently-formed Age of Enlightment company's ambivalent attitude to the closed shop.

Counted out

Although it is widely felt that accountants have too much influence in British industry, it is refreshing to learn that a healthy attitude still prevails in some areas. The auditor of a Yorkshire wool company, invited to attend a board meeting, ventured an opinion on an item on the agenda. The chairman turned tohi m and rasped: "Hold tha' tongue, lad, thou's nowt but scorer."

Observer

ECONOMIC VIEWPOINT

Lessons of the great 1932 conversion

IN ALL the discussions on public spending, debt interest tends to be overlooked. Even the Treasury's own control of expenditure is in terms of "programmes"—tangible items such as defence or roads or industrial aid about which it can haggle with departments or local authorities. Debt interest is stated to be "not susceptible to the same controls as other expenditure" and is entered purely as a forecast.

Yet the problem cannot be dismissed quite so cavalierly. Total public sector interest payments are estimated for the current financial year at almost £10bn in so-called "1979 survey prices." This compares with a public spending total estimated at £70bn.

The last great operation to convert the National Debt to a lower interest basis was an extremely successful one undertaken under Mr. Neville Chamberlain when he was Chancellor in 1932. The "history is bunk" brigade will be quick to *dismiss comparisons with a* time when conditions were so different. But before doing so, they might recall that the weight of National Debt in 1932 was greater, not smaller than today's.

Neville Chamberlain pictured in 1932 when he was Chancellor of the Exchequer.

Mr. Chamberlain's problem arose from £2.1bn of 5 per cent War Loan created in 1917. It amounted to only a quarter of the *National Debt, but* was equivalent to about 50 per cent of the National Product. This is a higher percentage than the market value of the whole of the National Debt today. Interest payments on 5 per cent War Loan absorbed two-fifths of the income tax yield and about one-eighth of the whole budget—again costs comparable to that of servicing the whole National Debt today.

Because the Government had the option of repayment from 1929, the price of 5 per cent War Loan could never rise far above 100, whatever happened to *short-term interest rates*. It was felt, rightly or wrongly, that the existence of this stock, yielding 5 per cent, prevented long-term interest rates from falling as much as they might.

Thus the conversion of the 1917 War Loan issue to a new 20-year 3½ per cent coupon was a triumph both for economic strategy and budgetary policy. It was announced on June 30, 1932, and completed by the end of the year. Professor R. S. Sayers states in his history, *The Bank of England 1891-1914*, (Cambridge, 1976, Vol. 2) that "in terms of manhours it was the biggest single operation ever carried out by the Bank of England." It involved dealing with 2m stockholders and 15m forms, with hundreds of permanent and temporary staff working long overtime for weeks and weekends on end.

The great fear of the authorities was that they would have to find cash to repay War Loan holders refusing the conversion offer. In fact by the end of July, 88½ per cent of all holders by value accepted conversion and only 2½ per cent refused (the rest did not reply or re*plied later*). *The weapons used* ranged from appeals to patriotism, an increase in the monetary base (not a new idea) and hints that the conversion offer was a good bargain which might not recur. There was a small bonus for early acceptance.

Because of the conversion or repayment of the entire 1917 stock, holders no longer had the option of retaining a 5 per cent yield. Their choice was between cash and 3½ per cent. The attraction of the latter was the expectations that interest rates might go down further, thus forcing those who waited to accept a still lower yield and forgo a capital gain. Keynes privately voiced a suspicion *that the authorities regarded* the whole scheme as a bluff and would not persevere with low interest rates, a fear which turned out in the end *unjustified*.

The anomaly that the 1932 conversion was designed to overcome was that of high interest rates at a time of slump and *falling prices*. This *is* very different from today's world of double digit inflation. But there is a different anomaly today, also of great importance. The *Government* has been borrowing at 15 per cent interest rates for stocks repayable well into the 21st century. But of this 15 per cent, *some* 3 per cent at most represents the investors' expected real return. The remaining 12 per cent represents compensation for inflation. There would be a great gain from separating the two elements.

The point is illustrated by the now famous Bank of England Discussion Paper No. 6, by C. T. Taylor and A. R. Threadgold. This shows that on the basis of inflation adjusted accounts the general government borrowing requirement averaged £1½bn in 1975-78 compared with the more publicised nominal figure of £8bn. The adjustment is made by writing down the liabilities of the Government by an amount corresponding to the losses *of private sector debt* holders induced by inflation.

Adjustments

The three or four and a half officials who support the Government's monetary policy quietly point out that the cash has still to be found for Government borrowing whatever adjustments can be made to the accounts. To some extent the cash is found. As Mr. A. D. Wilkie, the Standard Life research *actuary, points out in* a forthcoming paper from Laurie Milbank, pension funds and similar institutions will re-invest that part of their nominal interest payments *which simply represents* compensation for inflation in order to maintain the real value of their portfolios.

If Government debt consisted of *indexed securities*, disbursements on debt interest would fall and on financing redemption would rise. It would be a false prospectus to claim that indexation could allow tax cuts to be made now. For with inflation adjusted accounts, with or without indexed securities, the "*safe*" figure to which Sir Geoffrey Howe would be advised to hold Government borrowing might be more like £3bn than £9bn under today's measurement conventions.

Indeed if there were a conversion to indexed bonds and a cyclically self-balancing Unemployment Regulator fund were separated from other *public sector transactions* (as outlined in my article on Monday) it would be possible to re-establish a balanced budget as a sensible policy objective.

The advantages of an indexed debt for future years are far from presentational. With non-indexed debt, both Government and investors are indulging in a breath-taking gamble. Mr. Wilkie has calculated that repayment and interest commitments on existing marketable debt amount to £159bn. If inflation is 22 per cent the real value of these commitments at present prices is £41bn. If it is 2 per cent, that value is £128bn, three times as high. For years after AD 2000 the real value of servicing commitments is 100 times as high with the lower rate of inflation. At the risk of differing from Mr. Alfred Sherman, it seems clear *to me that it is the refusal to* index Government debt, which could make it prohibitively expensive to get off the inflationary treadmill.

For if much more unindexed debt is issued at recent interest rates, the Government will simply not be able to afford to let inflation drop. Indeed it is no coincidence that 1978, when inflation temporarily fell to 8½ per cent, was the one recent year when the government borrowing requirement shot up on the Bank of England's adjusted calculation.

Non-indexed long-term bonds are a speculation for investors as well as government. As Mr. Wilkie has emphasised, an employee entering a pension scheme at the age of 25 earning £5,000 a year may have a final salary of £35,000 or £37m depending on whether pay rises by 5 per cent or 25 per cent per annum. Long-term gilt-edged securities at fixed nominal rates make no sense in the face of such uncertainties; and it is time they were buried with the dodo.

A conversion offer to indexed stocks could be based, as Mr. Wilkie suggests, on a schedule of real coupon rates and issue prices, one for each existing stock. The operation would be no more formidable than the one with which a much smaller official staff coped in 1932. But unlike Mr. Wilkie, I would not be afraid of experimenting with moderate-sized new issues of indexed stock before launching the conversion.

Some official economists object that indexed bonds would set a dangerous example by guaranteeing a given real return to investors which the economy may be in no position to afford. They have forgotten that exactly the same argument would apply to honouring government obligations on conventional gilt-edged securities during periods of stable prices which largely prevailed in the three centuries up to World War II.

The fallacy arises from confusing indexation, which is simply a constant purchasing power standard for contracts and undertakings, with government real income guarantees. Indexation does not guarantee anyone anything. The element of certainty in an indexed gilt-*edged issue—or in a non-indexed* issue at a time of stable prices—arises from the long-term nature of the contract, not from the indexation. If dated indexed securities were put to tender, the possibility of a negative real yield would be clearly demonstrated, and the actual terms set by the market.

Social security benefits, *wages, tax thresholds and so on*, are fixed on a year-to-year basis. Indexation need not prevent these from being cut at times of economic pressure. But the cuts would have to be made openly rather than through the inflationary back door. The advantages of the latter have in any case worn thin with increasing public awareness of rising prices. The model here is the Rooker-Wise amendments to the 1977 Finance Act, which do not prevent the Chancellor from reducing real tax thresholds, but require him to announce this openly by introducing a resolution to raise personal allowances by less than the adjust*ment for inflation, and saying* by how much less.

The choice of index to use for different purposes requires further discussion. The greater *the choice of terms open to* investors the less will be the real cost of servicing the national debt. But my own favourite formula is "the lower of the increase in prices or average earnings" (with prices being measured by the GDP Deflator). This formula would have eliminated the built-in expansionary tendencies in *social security* payments (including pensions) now so worrying the Government. But the important point with which I wish to end is that indexation means honesty and non-indexation dishonesty. Remember that and the details fall into place.

Samuel Brittan

INFLATION-ADJUSTED GENERAL GOVERNMENT BORROWING REQUIREMENT (GGBR), 1967-78

(£bn)

	Average 1967-70	Average 1971-74	1975	1976	1977	1978
Nominal GGBR	0.7	3.2	10.0	7.9	4.7	9.0
Percentage of national income at market prices	1.6%	5.0%	10.7%	7.1%	3.7%	6.3%
LESS: Notional gain on real value of debt	−1.4	−3.5	−9.0	−6.2	−6.2	−4.6
"Real" GGBR	−0.7	−0.3	1.0	1.7	−1.5	4.4
Percentage of "real" national income at market prices	1.7%	−0.5%	1.0%	1.5%	−1.2%	3.1%

Source: Bank of England Discussion Paper No. 6

Letters to the Editor

Taxing UK Eurobonds

From Mr. J. Newman.

Sir, — The announcement (January 9) that the Inland Revenue is reviewing the treatment of Eurobonds issued by UK companies, and in particular the withholding of income tax on the interest paid, should be welcomed. UK taxation of interest paid overseas, the *imposition of income tax* thereon and the deductibility of such interest are topics which are long overdue for review and reform.

Income tax has to be withheld on interest paid to non-residents if the "source of the interest" is the UK. For "simple" debts, the source is the residence of the debtor—here on the face of it, it would be the UK as the Eurobond is being issued by a UK company. For "speciality" debts, however, ie those recorded by a deed made under seal, *the location* of the debt and hence the source of the interest is where the deed governing the debt is physically situated or deposited. It is therefore a simple matter for the UK company issuing the Eurobond to deposit its deed outside the UK, in, for example, Bermuda or the Bahamas, etc. Thus the source of the interest is outside the UK and the withholding of income tax is avoided. The legal theory behind this procedure dates back to medieval times, when individuals *preferred* to sue in monastic courts; to do so they made debts under seal and deposited the deeds at the monastery. Because this was where the source of the debt was, it would be sued upon there.

This escape from income tax withholding is based on archaic principles and for that reason alone should be reformed. In addition, the UK tax treatment of loans and interest paid needs urgent reform in the following areas: The treatment of foreign currency fluctuations on loans has still not been satisfactorily resolved. This problem has been debated and litigated about for at least six years without any result, to the detriment of London as a financial centre. The system positively discriminates against close (generally small) companies, e.g. the maximum rate of interest which may be *deducted* on a loan from a proprietor to a close company is 12 per cent. The excess cost is treated as a dividend and non-deductible. The ratio of equity capital to debt and the deductibility of interest on that debt in transnational transactions is currently under consideration by the Inland Revenue. Criteria for debt/equity ratios and rates of interest paid between connected persons should be particularised. Lastly, whether interest should be deductible for the acquisition of non-income-producing assets.

Reverting to the Eurobond matter, the Inland Revenue and the Treasury should take into account tax law outside the UK and the position of London as a financial centre. In the Netherlands there is, in general, no withholding tax on interest. Rather, the criteria for deductibility of interest paid by a corporation are more logical and consequently more restrictive. In addition, there is an efficient procedure for advance clearance of tax questions. In the early 1960s Switzerland applied transfer taxes to Swiss bond dealings. The result of this action was the virtual disappearance of such business from Switzerland.

Let us hope, therefore, that the UK Inland Revenue will act but with proper consultation and advice.

John A. Newman,
Kingsgate House,
115 High Holborn, WC1.

Loans from the EIB

From Mr. R. Raw

Sir,—As a UK director of the European Investment Bank, I wish to draw your attention to an error in your article of January 10 entitled "EEC funds for Britain." In this article it is written "... if like the EIB loans they are at subsidised rates...."

The facts are the following. No UK borrower, whether nationalised industry, local authority or private company receives any interest rate subsidy on European Investment Bank loans. All loans to UK borrowers reflect the bank's full borowing costs.

It is true that some of the bank's loans to other borrowers receive interest rate subsidies from the Community budget. These borrowers are from Lomé countries under aid programmes and from Italy and Eire when *they joined the European monetary system.*

R. G. Raw.
King's Farm,
Lower Field,
Alresford, Hants.

Where wealth lies

From Mr. E. Kermode

Sir,—Figures don't lie, but it is easy for a liar to quote figures while he lies. David Marsh (not the liar) writes (January 10): "If pension rights are included" as wealth...."

But if pension rights are not included as wealth the resulting "statistics" are so much rub*bish! It is time this was pointed* out firmly, as we have the ridiculous situation of the "poor" employee with only a couple of thousand in the bank complaining of the "wealth" of his neighbouring "freelance" with say £30,000, in investments. The £30,000 however is nowhere near enough to keep the "freelance" in his old age, whereas the employee might have pension rights worth £50,000-£100,000 or more. (An estimate of a maximum of £350,000 for an inflation proofed pension has *been made.*)

Even more iniquitous, the wretched man who has struggled to save say £10,000 will be refused supplementary benefit if unemployed, and be forced to liquidate his "retirement provision" whereas the out of work man who has squandered several thousands a year on "enjoyment" has any preserved pension ignored and receives his supplementary benefit. Thus not only are the thrifty penalised incidentally by inflation, *but deliberately by the "rules."*

Mr. Marsh's statement that the "share of the lowest 80 per cent is almost doubled" leaves us in some doubt as to what the *complete picture is*. Can we please be told the figures of wealth for the "richest 1 per cent, 10 per cent, 20 per cent and 50 per cent" when pension *rights are included*.

And would the Royal Commission please stop publishing figures telling only half the story, with the full story added as an addendum! This makes its report as politically biased as if it omitted dividends and interest and then added "if these items are included. . . ."

E. R. Kermode.
35, The Deans,
Portishead, Bristol.

Electrifying railways

From the Editor,
Railway Gazette International.

Sir,—Your report (January 10) that the EEC is willing to put loans worth £700m into Drax B power station and the Selby coalfield as part of the Community's oil-substitution strategy raises an interesting possibility.

Within a few weks, a two-year economic analysis of a large railway electrification programme will be completed by a joint British Rail/Department of Transport team. Early indications are that the projected rate of return *will satisfy* the Treasury, but there remains one serious problem. The Government has imposed a strict limit on railway investment, and *there is no possibility of finding* the £750m needed over 20 years from 1985 to electrify half the BR network without crippling essential programmes to replace rolling stock, track and signalling.

Given that electrification on this scale would directly replace 120m. gallons of diesel fuel a year by coal or nuclear power —more if a transfer *of freight* and passengers from road to rail took place — there would seem to be an excellent case for loans to be repaid on a time*scale which matched* the anticipated improvement in BR's revenue and costs.

While the original six members of the EEC have mostly completed electrifying their main lines, Britain, Eire, Denmark and (from 1981) Greece have made little progress in this direction. All four countries have plans for electrification *which would merit support* as part of wider efforts by the EEC to replace oil.

Richard Hope.
Dorset House,
Stamford Street, SE1.

The nuclear programme

From the Managing Director,
Babcock Power

Sir,—Onlooker stated (December 22) that if pressurised water reactors were chosen as the basis for our future nuclear programme, foreign companies would obtain the orders "leaving companies like Babcock out in the cold."

We at Babcock take quite a different view. While as Onlooker states we have invested in facilities to manufacture advanced gas cooled reactor boilers, these can be used for assembly of PWR steam generators as indeed they can be for coal fired plant, a duty to which they are being turned over now. Taking together with our current investment programme, we will be equipped to produce all those sections of PWR plant normally within the supply of a boilermaker with the sole exception of the reactor pressure vessels. Efficient manufacture of these, the value of which is about 2 per cent of station cost, requires special equipment which can only be justified on economic grounds by a throughput of about four vessels per year. Taken on its own the predicted UK programme will not produce a demand approaching this level of activity. The only conditions under which there could be a case for us to manufacture the reactor vessels in the UK would be if export business were large enough or it *were of strategic importance to* have our own source of supply.

The latter may seem an unlikely eventuality, but there could well be a scramble for heavy engineering plant for energy conversion in the late 1980s and 1990s, and the UK could not afford to be at the end of a queue. The reason for this possibility, or perhaps probability, is the apparent inability of the democratic countries to take appropriate measures to replace the oil and gas sources upon which we rely *so heavily today*. Any large plant construction in this field will require from inception to commissioning a period approach 10 years, a time which is *at least two Governments* long. It is perhaps this last factor which has prevented us all from having consistent energy policies although the need has been long recognised. Another factor which has encouraged vacillation has been the flirtation with the so-called renewable energy resources. This has also taken eyes off the ball in the major business of ensuring the country's energy supplies. While it cannot be argued that such sources will not make some small contribu*tion, none has reached* the development stage at which a start can be made on the real work—that of engineering for economic performance and reliability.

It is encouraging to those of us in the industry to see the present Government thinking in the right time scale, although already we could be too late in taking action to *avoid shortfall* in our energy supplies. We now look for early and energetic implementation of the policy proposed.

R. H. Campbell.
Maypole House,
128-132, Borough High Street,
SE1.

A year of music

From the Vice-Chancellor,
University of Leeds

Sir,—The two valuable surveys of a year of music which you printed on Christmas Eve deserve in one particular, to be supplemented, and I trust you will allow a grateful reader to pay a belated tribute to the full and admirable coverage of music in the Financial Times throughout 1979.

Indeed, it was typical, and enormously welcome, that on the very last day of the year Max Loppert should have contributed four full paragraphs on a performance of Fauré's trio, just as a month earlier Ronald Crichton devoted an equal amount of space to the same composer's rarely heard first piano quintet.

Surely this is just the kind of purpose for which the so-called "quality Press" exists, and I only hope that the advocacy of your distinguished critics will help to ensure that the later chamber music of this great French master henceforward finds its due place in the regular repertory.

Boyle of Handsworth,
Leeds.

Today's Events

GENERAL

UK: Mr. James Prior, Employment Secretary, and Lord Justice Donaldson, speak at the Law Society's commerce and industry group's annual dinner, Connaught Rooms, London.

Sir John Methven, Confederation of British Industry's director *general, speaks* at American Chamber of Commerce lunch, Savoy Hotel, London.

Local authority workers pay talks.

Law Commission annual report published.

Last day of Office Design and Planning Exhibition, and of Micro-Electronics for the TV In*dustry Exhibition*, National Exhibition Centre, Birmingham.

Overseas: European Parliament in session (until January 18).

PARLIAMENTARY BUSINESS

House of Commons: Debate on the steel industry. Southern Rhodesia Orders.

House of Lords: Police Negotiating Board Bill, committee. Representation of the People Bill, committee. Common Agricultural Policy (Agricultural Produce) (Protection of Community Arrangements) (Amendment) Order 1979. Aviation Security Fund Regulations 1980. Debate on 7th Report of Royal Commission on Environmental Pollution.

Select Committee: Home Affairs sub-committee on Race Relations and Immigration. Subject: Proposed new immigration rules and European Convention on Human Rights. Witnesses: Prof. James Fawcett, President of the European Commission on Human Rights, Anthony Lester, QC, Lord Scarman. Room 15, 4.30 pm.

OFFICIAL STATISTICS

Consumers' expenditure (fourth quarter—first preliminary estimate). London dollar and sterling certificates of deposit (mid-December). UK banks' assets and liabilities and the money stock (mid-December).

COMPANY MEETINGS

Kitchen Queen, Midland Hotel, Manchester, 12.30. Ransome Hoffman Pollard, Quaglino's, Bury Street, St. James's, SW, 12. Royal Bank of Scotland, North British Hotel, Edinburgh, 12. Stockholders Investment Trust, Winchester House, London Wall, EC, 12. United Wire, 27 Queen Street, Edinburgh, 12.

Reconstruction holds back Tate & Lyle recovery

RECONSTRUCTION and development costs curbed Tate and Lyle's profit recovery in 1978-79. With reversals in all but sugar refining and two of its other main activities, the group's trading profit slipped £6.3m to £30.1m.

However associates' share and surplus on the sale of the African Products offshoot and stock reduction, enabled the company to report a £1.6m advance to £26.2m at the pre-tax level.

Mid-year £4.9m (nil) exceptional gains pushed the taxable profits ahead from £10.5m to £13.5m, and excluding surpluses on asset sales, better was expected in the second half.

"We should not expect to see any material improvement in our overall performance in the near future," warns Lord Jellicoe, the chairman.

He says that though there is a vigorous programme to restore profitability to a more satisfactory level, much will depend on factors mainly outside the company's control.

In particular the profitability of UK sugar refining, which achieved a sharp rise in trading profit to £6.9m (£1.1m) for the year, depends on the terms of the new EEC sugar regime, he points out.

Meanwhile, several of Tate's businesses are still engaged in very costly fundamental reconstruction and development which has limited its ability to generate "adequate profits."

For the year, which ended September 30 last, stated earnings per £1 share benefited from both a lower tax charge of £11.6m (£12.8m) and lower minority profit, to emerge up from 16.3p to 25.1p basic (or 24.9p fully diluted). The attributable balance came out up from £9m to £13.8m

The net total dividend is maintained at 10.5p by a 4p final, and costs £5.8m (same). In the current year the company will switch to the more conventional twice a year payments—in July and April—rather than three times.

Interest costs rose in 1978/79 by £1.5m to £13.4m. With proceeds from the sale of assets and closer control of working capital net group borrowings were reduced to £98m (£115m) but some increase in borrowings is likely in 1980.

Turnover was little changed at £1.19bn (£1.15bn) including exports down from £67.1m to £64.2m.

Analysis of sales and trading profit by activity shows in £ms: agribusiness £64.4 (£52) and £2.3 (£4.5); bulk liquid storage £5.5 (same) and £1.2 (£1.4); commodity trading £499.3 (£415) and £18 (£24.3); malting £18.6 (£16.3) and £2.4 (£2); shipping £9.5 (£7.5) and £2.5 (£0.8); speciality chemicals £0.1 (£0.3) and loss £0.6 (profit £0.2); starch £35.7 (£52.6) and loss £1.9 (profit £3.3); sugar refining and production £485.4 (£498.2) and £6.9 (£1.1); warehousing and distribution £30.7 (£61.6) and £1.9 (£3.9); other £41.2 (£37.8) and £2.1 (£1.2); plus insurance profit £0.8 (£1.3). Less central expenses of £2.6 (£4.9) and R and D costs of £2.9 (£2.7).

Tate has brought its UK cane sugar refining capacity more closely into line with the realities of the common agricultural policy, the chairman says.

"The level of beet quota reductions which has been recommended is, in our view, realistic and will allow our refined cane sugar to compete on fairer terms," he adds.

The group has lowered its exposure in the shipping market by selling six vessels and the sale of two product carriers is planned.

See Lex

HIGHLIGHTS

After a brief look at the firmness in equities and gilt-edged yesterday Lex moves on to the company news of the day. Tate and Lyle's pre-tax profits came out slightly higher, largely thanks to exceptional items, but the results were good enough to lift the shares 8p. Letraset's half-time results, showing profits ahead from £5.2m to £6.3m, contained a disappointing contribution from the recently acquired Stanley Gibbons. Trusthouse Forte closed its books on a 23 per cent rise in pre-tax profits to £68.2m. Finally Lex considers the sterling eurobond by Citicorp. On the inside pages Magnet and Southern shows an impressive profit advance and good figures were also reported by Thomas French, Reo Stakis and Countryside Properties. Less exciting news was released by Allied Colloids. Finally Kitchen Queen lifted the lid on its problems. Chairman and chief executive Mr. Johnson resigns and a loss is forecast for the half year.

Magnet up £3.6m at six months

TAXABLE PROFITS of Magnet and Southerns, prepared joinery, doors and ancillary products maker, expanded by £3.57m to £12.8 for the six months ended September 30, 1979, on turnover ahead from £60.03m to £69.5m.

Mr. S. Oxford, the chairman, expects results for the full year to justify the confidence expressed in his last annual statement. He then said that the outlook for the current year was excellent, with first half profits being in excess of the comparative period.

Profits for the 1978/79 year were a record £19.22m.

Trading in the third quarter of the 1979/80 year has been good, he says, and the proportion of business coming from the home improvement, repairs and maintenance markets continues to increase.

The interim dividend is effectively raised to 3p (1.737p) net per 25p share, absorbing £2.11m (£1.22m) — last year's adjusted final payment was 4p.

After corporation tax of £6.21m (£4.46m) and preference dividends, costing £28,091, the balance came out at £6.56m against £4.74m.

Turnover of subsidiary Southern-Evans advanced to £44.43m (£39.96m) and profits rose from £3.94m to £5.02m for the first six months.

A £3.3m increase in pre-tax profits to £7.82m is reported by Magnet Joinery, on a £33.33m (£26.82m) turnover.

• comment

Magnet and Southern's 39 per cent interim growth again steals the limelight from the quoted timber competition and after a further 18p rise to 164p yesterday the temptation to take profits must be considerable. After all, the shares have outperformed the market by over 53 per cent in the last year and in excess of 15 per cent over the last month alone. Moreover, the consumer spending boom, which lifted volume in Magnet Joinery and Southerns-Evans by 6 per cent and 4 per cent respectively, must now be on the slide. The ratios are not offering any definite investment direction at present for, on the assumption that profits reach £26m pre-tax this year, the prospective p/e is 9 and a 4.6p net final dividend per share indicates a yield of 6.8 per cent. There is a case, however, for regarding Magnet as a core holding in the building materials sector. The balance sheet is strong, the merger of the manufacturing and retailing arms continues to prove its worth, stock profits will make a more pronounced mark in the second half. Sales to the vulnerable new house construction market have been cut to about 22 per cent of the total and there is no immediate sign of weakness in the DIY and home improvement trades, worth almost 60 per cent of turnover. That may change quite quickly and the spectre of heavy discounting in an increasingly crowded DIY sector should not be ignored but the argument for indiscriminate share sales is by no means compelling.

THF advances 23% to £68.2m: dividend boost

A 23 per cent increase in pre-tax profits to £68.2m is reported by Trust Houses Forte for the year to October 31, 1979. Trading receipts of the hotels, catering and leisure group rose by 17 per cent to £721m.

The net total dividend is effectively stepped up by 50 per cent to 8p (5.315p), with a final of 6p.

At halfway, taxable profits were up from £12.4m to £19.2m, and the directors expected a successful outcome to the full-year trading.

They now say trading for the current period so far is satisfactory, and they look forward to achieving another good year of continued growth.

Hotels profits advanced from £53.8m to £63.1m in the period under review. The UK, and Europe and elsewhere improved their contributions, but the U.S. was slightly lower at £10.2m (£10.6m).

Catering profits were higher at £14.2m, compared with £12.4m, despite a sharp fall in the U.S. from £1.3m to £0.4m.

Tax took £26.3m, compared with £22.3m. Stated earnings per 25p share are up from 15.7p to 20p.

Pre-tax profits were struck after reduced financial charges of £13.4m, against £14.6m.

Net value of shareholders' investment reached £347m (£294m)—equal to £1.71 (£1.46) per share—which compares with a loan capital figure of £190m (£203m).

Net liquid funds were £59m at the year-end, and have since further increased.

The group has pursued its policy of revaluing, on a cyclical basis over a period of not more than seven years, a proportion of its properties. As a result capital reserves have been increased by £31.5m as at the year-end.

See Lex

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Albion		1.75	April 2	1	2.75	1.8
Allied Colloids	int.	0.64	March 28	0.64	—	2.54
Berjuntai Tin	int.	0.45	Jan. 31	0.55	—	1.15
Countryside Props.		2.1	—	1.67	3.5	2.68
Thos. French		3.1	—	1.5	4.5	2.8
Letraset Intl.	int.	1.09	Feb. 29	0.99	—	6.5
Magnet and Sthrns.	int.	3	March 31	1.74*	—	5.74*
Stock Conversion	int.	2.19‡	March 10	1.34	—	3.97
Reo Stakis		1.37	April 10	0.81	1.75	0.98
Tate and Lyle		4	—	1.05	10.5	10.5
Trusthouse Forte		6	April 8	3.89*	8	5.32*
U.S. and Gen. Trust		5.61	March 13	5.08	10.29¶	6.88
Western Board	int.	1.7	March 7	1.4	—	4.4

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ To reduce disparity. § Malaysian dollars throughout. ¶ Includes special 1.68p payment re-Shell, Unilever and BP.

EMI REDEMPTION

On January 15, Rowe and Pitman bought on behalf of EMI £2.75m 8½ per cent convertible unsecured loan stock 1981 at 94p for redemption.

Countryside increases capital to £1.5m as profits soar 116%

FOR THE third successive year, pre-tax profits of Countryside Properties have more than doubled. In the year to September 30, 1979, pre-tax profits increased 116 per cent and passed £1.3m. This compares with £605,000 in 1978, £243,000 in 1977 (a 15-month period) and £60,000 in 1976.

The company is proposing to increase its issued capital by a transfer from reserves and to recommend a scrip issue and consolidation which will raise the nominal value of each 5p share to 25p. Dividend and other rights will not be affected.

Mr. Alan Cherry, managing director, says this capital restructuring is to enhance the company's attractions as an investment and to bring the capital more into line with net assets employed by increasing the capital from £300,000 to £1.5m.

Despite the substantial increase in pre-tax profits, turnover dropped from £12.9m to £12m, but stated earnings per 5p share jumped from 9.3p to 20.7p.

A final net dividend of 2.1p (1.675p) is recommended, making a total of 3.5p (2.68p) net.

Looking ahead, Mr. Cherry says the group's considerably strengthened net asset position—it improved by £1.08m during the year—including the stock of prime development land, strong liquidity and substantial unused bank facilities form an excellent base for continuing expansion. With the healthy forward sales position, the board feels there will be further satisfactory progress.

• comment

With the property losses of the 1970's now flushed out of its balance-sheet, Countryside has re-established a respectable return on capital. This has been at the expense of some sales, however, and if profits are to continue moving forward the sales picture will ned to improve. With the housing market currently depressed this may prove a problem but there will be a contribution this year from commercial property sales, which offer a higher margin, and the forward order book is solid at the moment. The other worry is the level of borrowings, which are fully secured but expensive—interest charges last year were probably around £650,000. Countryside obviously feels it is soundly enough placed to attract institutional interest and is accordingly reconstructing the capital to qualify for trustee status. The share price rose 4p yesterday to 74p, producing a stated p/e of 3.5 which must look attractive to some institutions. Income funds, however, will hardly be falling over themselves to pick up the current yield of 6.9 per cent.

Samuel Heath midway fall is £175,000

Following their warning last October that the current year's profits would be lower, the directors of Samuel Heath and Sons report a first half downturn from £355,000 to £180,000. Turnover fell by £103,000 to £1.33m.

The group makes brass and other metal products. The position has not changed since the half year and the order book remains irregular. However, the directors state that results for the second half should show some improvement and be closer to the £247,000 achieved in the corresponding period of the previous year. In that year the company paid a single dividend of 16p.

WESLEYAN & GENERAL

Record levels of new life business is reported by the Society, with new premium income rising by 42 per cent from £3.53m to £5.01m and new sums assured by 38 per cent from £76.2m to £105.1m.

In the industrial "home service" branch, new premium income jumped by 47 per cent from £2.3m to £3.39m with new sums assured at £51.1m against £33.3m. Stripping out the effect of the changeover, the method of crediting tax relief, the underlying growth was 26 per cent. Wesleyan and General Assurance

Albion warns of fall

TAXABLE PROFITS of Albion, male outerwear manufacturer, rose from £502,137 to a record £723,633 for the year ended September 30, 1979, after £353,000 against £208,000, at halfway.

The directors say that because of a cut in production, necessitated by unsatisfactory orders on some manufacturing sections and the termination of some industrial grants, profits for the current year are not expected to reach the levels of the last two years.

They say that the more favourable trading conditions, reported in their interim statement, did not continue throughout the second half of 1978-79, and towards the end of the period conditions became very difficult.

Dividend total is lifted to 2.75p (1.6p) net per 20p share, with a final of 1.75p.

The net profit of £687,538 (£278,063), struck after tax, much lower at £35,095, compared with £224,074, was boosted by en extraordinary gain of £303,352 (nil), arising on the disposal of premises of a subsidiary.

Montague Meyer raising £15m medium term loan

Montague L. Meyer, the UK's largest timber group, has arranged a £15m medium-term multi-currency loan in an effort to part finance a recent acquisition.

The loan has been arranged by Hambros Bank which is managing a syndicate of international banks. Other banks involved in the Meyer financing operation are Bank of Montreal, Canadian Imperial Bank of Commerce, United California Bank, Chemical Bank, Bank of America NT/SA, Societe Generale, Banque Nationale de Paris, Lloyd's Bank International and Chase Manhattan.

The loan is for a period of seven years and Meyer has the option to convert into U.S. dollars or certain other leading European currencies—DM, Dutch guilders, French francs, Swiss francs, Swedish kroner.

At least half the loan is to be drawn down in sterling initially.

Although Meyer said yesterday that it will use the funds for general corporate purposes including expansion of the company's activities, up to £5m of the loan is to be used for financing the recent £7m acquisition of Van Riesen Beheer BV, a Dutch timber merchant.

After the loan is taken up about half of the group's debt will be in medium-term finance while the remainder will be in short-term bank indebtedness.

"We are trying to get the structure of our balance sheet correct," the group said yesterday.

In December, 1977, Meyer raised a seven-year term loan of £15m which was again arranged and syndicated by Hambros Bank.

In its interim report for the six months to September 30, 1979, Meyer announced pre-tax profits of £9.27m compared with £7.96m, on an 18 per cent rise in turnover to £159m.

Boulton & Paul increase

PRE-TAX profits of Boulton and Paul, structural engineer, woodworker concern wholly owned by the British Electric Traction Company, advanced from £3.3m to £3.7m for the six months ended September 30, 1979; on turnover up some £3m to £40.4m.

A second-half slump in 1978-79 from £3.5m to £1.92m left the full year's figure down from £6.24m to £5.22m.

First-half tax takes £1.92m compared with £1.72m and minorities £88,000 (£31,000), after which the attributable balance was £1.69m against £1.55m.

Kitchen Queen confirms losses: Neville Johnson resigns

BY ARNOLD KRANSDORFF

MR. NEVILLE JOHNSON has resigned as chairman and chief executive of Kitchen Queen Group in a boardroom shake-up just 24 hours before the company's first annual meeting.

The announcement came as the company confirmed it had been trading at a loss for the past four months.

Mr. Johnson's resignation follows a series of meetings with his board colleagues and bankers over the past week. During this time the company's share price has slumped from 40p to 24p — 5p below the level at which they were offered to the public 14 months ago.

The shares recovered slightly to 30p after the announcement that corrective measures are now being taken. The company estimates a £1.25m turnround to losses of about £0.3m for the six months ending in February.

In the 12 months to last August the company met its prospectus forecast of £1.8m pre-tax. When the results were announced last December the directors foresaw "exciting developments" in the current year.

Mr. Johnson, who is 36 years of age, started the business about 15 years ago from garage premises in Manchester, initially specialising in the installation of kitchen equipment. The company now also manufactures kitchen equipment and is engaged in carpet retailing.

A spokesman for Halliday, Simpson, the company's brokers, said Mr. Johnson's departure was due to a clash in management styles with Mr. Jim Bentham, the group's managing director. "After the meetings it was apparent that Johnson and Bentham couldn't work together. The solution which suited both parties was that Mr. Johnson should resign," he said.

Mr. Johnson is replaced by Mr. Lenny Morris, and Mr. Bentham will continue as managing director. Both men joined the board of Kitchen Queen last month after their private company, Moben Home Improvement, was acquired in a deal worth more than £2m. Mr. Morris and Mr. Bentham have bought 8.5m shares (28.4 per cent of the equity) from Mr. Johnson and his family at an undisclosed price. Mr. Johnson retains about 4m shares (13.4 per cent) in the company.

Although Mr. Johnson has relinquished all official positions, he still has a five-year service agreement worth £28,750 a year. A settlement is expected in the next few months.

The company estimates that first half losses in the manufacturing division will total £1.1m, while the deficit in the retail division will amount to about £0.4m for the same period. In contrast the Moden subsidiary—which makes kitchen equipment—is expected to turn in profits of £1.2m for the six months compared with an acquisition forecast of £1.5m for the full year.

The company adds that the corrective measures now being taken should eliminate manufacturing losses in the second half while the retailing division should return to profitability.

The first half losses result from problems in the Knott Mill and Di Lusso subsidiaries.

In the case of Knott Mill, the costs of integrating the 40-odd carpet shops into the group's retail operation have been higher than anticipated. With Di Lusso, orders collapsed after a policy decision to discontinue selling kitchen units through distributors and sell only to the group's six largest customers.

Mr. Morris and Mr. Bentham had a meeting with the Take-Over Panel on Tuesday. It is understood that they were seeking clarification about their duties if, as a result of the deferred consideration in connection with the Moben acquisition, their joint stake rises above 30 per cent. Under the Takeover Code, the acquisition of more than 30 per cent of the shares in a company normally triggers a mandatory takeover bid.

Guinness chief warns of smaller profit growth

THE CURRENT year at Arthur Guinness Son and Co., the brewing, plastics and general trading group, has started quite well, Lord Iveagh, chairman, tells members, but although it is too early to make any forecasts he does not believe profits in 1980 will increase as much as last year.

He states that "high interest rates, large increases in costs, the prospects of generally recessionary conditions all over the world point to a difficult year." The company, however, should be able to go forward steadily even in these conditions, he adds.

As reported on December 15, 1979, taxable profits for the year ended September 30 rose by 18 per cent to £52.9m (£44.9m), with the second half almost matching the corresponding period of the previous year. The dividend is lifted to 9.8p (7.84p) and a one-for-one scrip issue is proposed.

Lord Iveagh says that more than a quarter of profits come from non-brewing activities, and the group aims to be more selective in those activities, investing principally where there is growth potential to develop products or services, "which can be branded with our own special character."

The chairman says the group believes there are significant opportunities for expansion in the wider materials handling fields—the shares not already owned in White Child and Beney were acquired during the year.

As at September 30, 1979, there was a £14m increase in net liquid funds, compared with a £7.3m decrease.

Meeting, Toucan Inn, Park Royal Brewery, NW, on February 7 at 2.45 pm.

PIONEER MUTUAL

Strong growth in ordinary branch business and lower figures in the industrial branch is reported by the Pioneer Mutual Insurance Group, reflecting the policy decision taken last year for the company to become a predominantly ordinary branch life company concentrating on linked life business.

New annual premiums in the ordinary branch doubled from £1.26m to £2.54m, with linked life regular savings pans also doubling from £1m to £2m. Single-premium business nearly doubled from £2.7m to £5.1m, nearly al of this business coming from income bonds, much of it reasurance from other life companies.

In the industrial branch, new annual premiums declined from £1.3m to £878,000.

SPAIN

January 16	Price %	+ or −
Banco Bilbao	205	
Banco Central	220	
Banco Exterior	209	
Banco Hispano	206	−2
Banco Ind. Cat.	135	
Banco Madrid	175	
Banco Santander	239	
Banco Urquijo	169	−3
Banco Vizcaya	209	
Banco Zaragoza	205	
Dragados	100	
Espanola Zinc	58	
Fecsa	57	−0.2
Gal. Preciados	40	+2
Hidrola	63	+1.5
Iberduero	61.5	+0.8
Petroleos	118	+5
Petrolibar	73	
Sogefisa	115	
Telefonica	53	−0.5
Union Elect.	63.2	+0.7

MINING NEWS

High tax charges bite into gold profits

BY KENNETH MARSTON, MINING EDITOR

A MIXED showing is made by the December, 1979, quarterly results of the South African gold mines in the General Mining and Union Corporation groups. Although working costs have been well maintained and the average gold prices received by the mines have been around $100 per troy ounce up on the previous quarter, sharp increases in tax and the State's share of income have taken the shine off several mines' net profits.

The average gold prices received by the individual mines are compared in the following table.

GOLD PRICE RECEIVED

General Mining group—

	Qtr. to Dec. 31	Qtr. to Sept. 30
Buffels	$408	$305
Stilfontein	$409	$304
West Rand	$427	$300

Union Corporation group—

	Qtr. to Dec. 31	Qtr. to Sept. 30
Bracken	$408	$318
Grootvlei	$428	$321
Kinross	$413	$322
Leslie	$408	$312
Marievale	$421	$319
St. Helena	$410	$301
Unisel	$421	—
Winkelhaak	$406	$313

Taking the good news first, the young Unisel has made a fine start to production with an initial quarterly net profit of R6.88m (£3.68m). St. Helena, which is in the continuing process of mining more lower grade ground and which has announced first development values from the Leader reef has achieved a record profit despite a higher tax charge.

A new agreement has been reached between St. Helena and Unisel which means, in effect, that Unisel will operate its own mine from now on but pay a fee to St. Helena for the use of the latter's treatment plant; Unisel does not have its own plant. Previously, St. Helena brought to production and operated the Unisel mine and the new deal will mean a better financial return to St. Helena.

Despite a tax and lease payment increase of 60 per cent, the veteran and low grade Grootvlei has turned in a sharply higher profit for the quarter. Its payable ore reserves, estimated on the basis of a gold price of only $232 are now put at 4.1m tonnes compared with 1.7m tonnes a year ago.

The mine milled a total of 1.6m tonnes last year but it has to be remembered that South African gold mining ore reserves are calculated on a very conservative basis and are not necessarily indicative of a mine's full potential.

Thanks to the higher gold price, Stilfontein has boosted its December quarter earnings in the face of a 71 per cent increase in tax. Higher uranium sales have benefitted Buffelsfontein and West Rand Consolidated, the latter having made a good net profit following a loss in the September quarter.

On the other side of the coin, a combination of sharply higher tax and reduced gold production has left Bracken and Leslie with lower earnings in the past quarter. The latest quarterly net profits of the mines in the two groups are compared below.

General Mining group—

	Dec. qtr. R000	Sept. qtr. R000	June qtr. R000
Buffelsfontein	21,957	13,764	13,712
Stilfontein	10,026	5,707	4,278
W. Rand Cons.	†2,884	¶*486	¶*449

* Loss. ¶ After receipt of State aid. † After repayment of State aid.

Union Corporation group—

	Dec. qtr. R000	Sept. qtr. R000	June qtr. R000
Bracken	2,209	2,455	1,898
Grootvlei	5,370	3,180	2,604
Kinross	6,501	5,309	4,034
Leslie	1,749	1,884	1,245
Marievale	1,082	916	971
St. Helena	13,599	9,756	7,845
Unisel	6,880	—	—
Winkelhaak	11,745	10,139	7,285

RETURN AT TARA

Workers at Tara Exploration's Irish lead and zinc operations have voted to end their unofficial strike and to return to work today.

The strike, which centred on the dismissal of a union representative, caused a walk-out of members of the Irish Transport and General Workers' Union on December 18, but the mill and underground men returned on January 7.

It also resulted in Tara declaring force majeure on its sales on January 7. At the moment it is not known when the force majeure will be lifted.

Big coal find in China

A HUGE coal deposit with verified reserves of 2.4bn tonnes of anthracite has been discovered in Sichuan Province of south-west China, according to the New China News Agency. Tony Walker reports from Peking that the announcement gives no details about the accessibility of the deposit, but he points out that the nearest town, Yibin, is on a railway link.

However, the deposit is in one of China's more remote areas and some distance from the steel production centres. Most of the country's heavy industry is in the north and north-east. The latter area includes Shanxi Province which accounts for about one-third of China's known coal reserves. They amount to about 600bn tonnes and are only surpassed by those claimed by the U.S. and the Soviet Union.

From the limited information available it is not possible to judge whether the latest find is economically feasible. No details are known of the quality of the coal, although the deposits in China's south and south-west tend to be inferior to those in the north and north-east.

China is placing great emphasis on coal as a fuel source and it is now freely admitted there are shortages of energy caused by a failure to harness available resources. This has restricted some industrial projects.

Gold from Fimiston next year

KALGOORLIE MINING Associates is speeding up the development of its Fimiston leases on the Golden Mile in Western Australia and production should start early next year, after the expenditure of $28m (£12.28m).

By the end of 1983 Fimiston should be producing 91,000 ounces of gold a year, said Mr. Harry Conger, president of Homestake Mining, the U.S. group which has a 48 per cent stake in KMA.

The other shareholder in KMA is Kalgoorlie Lake View, which is in turn owned by Poseidon and Gold Mines of Kalgoorlie, each with 47 per cent, and Western Mining with 6 per cent.

Last year KMA decided on a cautious redevelopment programme of Fimiston, where production stopped in 1975. It was planned to spread the work over three and a half years and to review progress every 12 months.

Clearly the continuing rise in the bullion price, which has climbed threefold since the decision to redevelop Fimiston, has prompted the acceleration of the work programme and provoked a greater willingness to increase the capital investment.

Fimiston will strengthen KMA's position as a gold producer, roughly doubling its output. Also, it should add about 44,000 ounces to the gold available to Homestake, whose South Dakota mine last year produced 250,000 ounces.

The enhanced gold prospects for Gold Mines of Kalgoorlie and Poseidon have been one reason behind the recent strength of their share prices. Yesterday GMK were 214p and Poseidon were 143p.

● Mount Carrington Mines and Aberfoyle, the Cominco unit, are mounting a joint exploration venture at gold and silver prospects in the Drake area of New South Wales. Aberfoyle can earn 80 per cent of the venture by spending A$800,000 (£389,400) by the end of the year.

Berjuntai cuts its interim

BERJUNTAI TIN, the biggest producer in the Malaysia Mining Corporation group, has cut its interim dividend in the face of reduced net profits for the six months to October.

The interim dividend is 40 cents (8.09p) less Malaysian tax at 40 per cent. It compares with 55 cents declared at this time last year and total payments for 1978-79 of 95 cents.

Net profits in the first half of the current year were M$7.59m (£1.53m) compared with M$10.68 for the same period of 1978. They followed from the mine's reduced output. In the six months to last October production was 1,903 tonnes of tin concentrates against 2,243 tonnes in the comparable period of 1978.

Output since then has continued to run at a lower level than in the 1978-79 year, although the Malaysian tin price has remained at generally higher levels.

Lower Perak Tin, another MMC producer, also had reduced output in the six months to October and returned a net loss for the period of M$19,000 (£3,850) compared with a profit of M$995,000 in the 1978-79 first half.

Berjuntai shares were 170p yesterday.

AMAL. TIN

A return of surplus funds of £1.17m is proposed by Amalgamated Tin Mines of Nigeria (Holdings). A capital repayment of 9p per share is to be made in addition to two dividends, each of 3p, which are now declared; the first dividend will be payable on or about February 19 and the second on April 22.

It is pointed out that the total cost of the distributions will be £1.37m compared wih £1.56m in accumulated cash reserves held in the UK. The remaining cash will be used to provide continuing working capital. Amalgamated's principal source of revenue remains its 40 per cent interest in Amalgamated Mines of Nigeria, the operating associate.

BOUGAINVILLE'S PRODUCTION

Because of the lower grades, reduced production was seen in the final quarter of last year at the Rio Tinto-Zinc group's big Bougainville copper-gold mine in Papua New Guinea. Total output for 1979 is also down on that of the previous year.

The metal content of the concentrates produced last year amounted to: Copper 170,788 tonnes against 198,803 tonnes in 1978, gold 19,703 kilogrammes (23,367 kgs) and silver 44,640 kgs (52,525 kgs).

However, the mine will have enjoyed much higher metal prices in 1979 and earnings should show a good advance. At the half-year stage they amounted to K37.7m (£24.3m) compared with K23.4m in the same period of the previous year. The interim dividend was doubled to 10 toea (6.4p); the 1978 total distribution was 10 toea. Bougainville shares were 8p up at 155p yesterday.

BIDS AND DEALS

Vosper acquires 51% of Hovermarine Transport

BY LYNTON McLAIN

Vosper, part of David Brown Holdings, yesterday announced the acquisition of 5/7 per cent of Hovermarine Transport, the specialist hovercraft builders of Southampton, for a cash consideration of some £1m.

Hovermarine Transport is a wholly-owned subsidiary of the Hovermarine Corporation of Pittsburgh, U.S. and was formed after the collapse of Hovermarine Limited, the original UK maker of specialist "sidewall" hovercraft, in 1969.

In an agreement related to the Vosper acquisition, the National Research Development Corporation has agreed to continue its financial support for Hovermarine and has taken a stake in the business.

The purchase of shares is Vosper's first major acquisition since its warship building assets were nationalised as Vosper Thorneycroft (UK) over two years ago.

However, the Vosper stake is lower than the company had planned last year. Vosper announced in May that it had agreed to acquire a 75 per cent stake in Hovermarine Transport, for a minimum initial consideration of £1.6m.

Vosper now has an option to acquire a further 24 per cent of the share capital between September and December 1981.

Vosper said yesterday that "an important aspect of the deal now completed is the participation of NRDC in the final scheme."

In addition to the refinancing, agreement has been reached for NRDC to provide further funds for the completion of the Hovermarine 500 series vessel.

The Vosper acquisition took effect from December 31, 1979, and involved 51 per cent of the capital of Hovermarine. A cash consideration of £925,000 has already been paid and a further payment, up to a maximum of £100,000, will be made in January 1981, if Hovermarine gains sales of between £4m and £6m in the 12 months to October 31, 1980.

In the meantime, Vosper is to make a medium-term loan of £350,000 to Hovermarine for working capital.

Turnover of Hovermarine doubled in 1979 to a record £5m, and manufacturing capacity increased threefold. The company's works total 140,000 square feet on two sites with a total of 10 acres.

The company has an order book of £4m and eight craft are currently under construction. Profits, before tax, amounted to £27,157 in 1978.

Sir John Rix, Vosper's chairman, and Mr. K. Ford, the company's finance director have joined the Hovermarine board. NRDC also plans to appoint a director to the board.

BROKERS KEMP-GEE AND SCRIMGEOUR IN MERGER TALKS

Talks between stockbrokers Kemp-Gee and J. and A. Scrimgeour about a possible merger began about six weeks ago following the collapse of similar talks between Scrimgeour and Grieveson Grant early in December.

Mr. Richard Fulford, senior partner of Kemp-Gee, confirmed yesterday that he had approached Scrimgeour after hearing of the collapse of the earlier talks. He hoped that a merger would prove possible but it was still early days. Both sides were still exploring possibilities.

Talks so far had indicated that the two firms could be complementary in a number of aspects, Mr. Fulford said. Kemp-Gee was strong in institutional equities, while Scrimgeour had a strong department serving institutions' gilts needs.

Kemp-Gee had a small but growing corporate finance division, a sector in which Scrimgeour was already established. Scrimgeour also managed a sizeable number of funds and had good contact with local authorities.

Both groups are of much the same size: Kemp-Gee has 23 partners and a total staff of 175; Scrimgeour has 22 directors and a staff of 150. However, Scrimgeour is a limited liability company while Kemp-Gee is a traditional partnership.

This and other differences, such as actual details of day-to-day management styles, could create problems for the merger as they did from the proposals with Grieveson.

HEYWOOD WILLIAMS £1.6M DISPOSALS

Heywood Williams Group has, over the last few weeks, generated £1.6m cash from the disposal of development properties and the sale of the quarry and asphalt manufacturing businesses of its subsidiary Pitchmastic.

Pitchmastic's remaining activities in contracting, decking, cladding and the sale of specialised products continues within Heywood Williams.

The book value of the property sold was £0.8m and the trading assets £0.4m. The group has already said that it's policy of degearing will continue and further development property sales are at advanced stages of negotiation.

TRICENTROL/CABLEFORM

Tricentrol has received acceptances in respect of over 80 per cent of the Ordinary shares of Cableform and over 75 per cent of the preference shares. All conditions of the offers having been satisfied, they have been declared unconditional and remain open.

BLAGDEN/PERSTORP PLANT AGREEMENT

A formaldehyde plant, using the Perstorp FORMOX process, has been licensed to Chemical Supply Company, the manufacturing arm of the chemical division of Blagden and Noakes (Holdings), and will be built at a cost of some £1.5m to replace plant at Chemical Supply's works at Haverhill, Suffolk.

The agreement was signed between Blagden, and Perstorp Chemicals AB, of Sweden.

The plant, due to start up in the middle of 1981, will have an initial capacity of 30,000 tons, but is designed to be easily and considerably expanded.

Lawlor deal is profit-linked

The £434,050 cash consideration involved in the acquisition of John Lawlor by M. D. W. Holdings is linked to Lawlor's profit performance in 1979.

If Lawlor's pre-tax profits are less than £270,000 in that year the cash sum will be reduced by 2¼ times the amount by which they fall short of that figure. An amount of £100,000 is being retained by M. D. W. until Lawlor's accounts for 1979 are available.

M.D.W. is a construction and property group and Lawlor a private building contractor operating mainly in the Manchester area. At January 7 M.D.W. had outstanding group overdafts totalling £662,096.

The M.D.W. authorised capital is to be increased to £2m by the creation of 2m ordinary shares of which 750,000 will be issued to Lawlor.

EPC TRANSFERS STAR GB

Olympia and York Developments of Canada has taken over Star Great Britain Overseas Holdings from English Property Corporation, which it acquired last year for £58m.

EPC has transferred Star, which owns 50 per cent of the Trizec real estate company of Canada, to a wholly owned subsidiary of Olympia, which is owned by the Reichman brothers.

The deal produced total receipts by EPC of C$143.3m (around £54m), representing the amount of debt owed by Star to EPC. Star also owns some 23 per cent of Landmark Land Company of the U.S. Further details of the transfer will be given in the annual report due in March.

HIGHLAND

Hiram Walker-Gooderham and Worts, of Canada, the distilling group which has launched an £80m bid for Highland Distilleries, revealed yesterday that it had only received acceptances of its offer for 76,752 ordinary shares.

Together with the Highland shares already owned by a Hiram Walker subsidiary the group now owns, or has received acceptances on, 5.1 per cent.

Because of the low level of acceptances, the 130p-per-share cash offer has been extended to January 29.

FERRANTI O.S. EXPANSION

Ferranti, which is half-owned by the National Enterprise Board, said its subsidiary Ferranti Offshore Systems, has bought the business and assets of Grampian Technical Services.

Grampian, a subsidiary of Grampian Holdings, provides telecommunications and instrumentation equipment to the offshore oil and gas industries.

ASSOCIATES DEAL

Carr, Sebag and Co. as associate of Scottish Homes Investment Company sold on January 11, 25,000 shares an 46p and on January 15, 15,000 at 46p on behalf of associates of the company.

SHARE STAKES

A. Arenson (Holdings) — Industrial and Commercial Finance Corporation has a beneficial interest of 860,000 ordinary (8.57 per cent).

Revertex Holdings — Britannic Assurance Company is interested in 1m shares (7.72 per cent).

Westminster Property Group— Poncho Investments has sold 317,500 ordinary and now has an interest of 10.9 per cent.

Suter Electrical—J. D. Abell has acquired 55,000 deferred ordinary, making holding 850,000 deferred ordinary (17.24 per cent); together with his ordinary shares, Mr. Abell now holds 1,375,000 (16.73 per cent) deferred ordinary and ordinary shares.

Mr. Chapman resigns from Chapman board

Mr. Charles Chapman, the former managing director of envelope company Chapman and Co. (Balham), has resigned from the board after agreement on compensation over the ending of his contract as managing director.

The company said last October that Mr. Chapman's contract as managing director had been terminated immediately, though it gave no reasons.

Graphics side pushes Letraset to over £6m

THE diversified interests of Letraset International, distributor of artists' materials, stamp dealer and manufacturer of leisure products, have helped increase pre-tax profits by 21 per cent from £5.2m to £6.3m in the six months to October 31, 1979.

Mr. W. Fieldhouse, the chairman, says in his halftime report that the group is well-positioned to operate in an uncertain business climate, but in a year of anticipated economic downturn the outlook for the remainder of the year is difficult to predict with confidence.

Group sales increased 53 per cent from £23.22m to £35.51m and the biggest contributor was the graphics division with sales of £19.06m against £17.29m, producing a pre-tax profit of £3.95m (£3.48m). Volume growth in the graphics operation continued and profit margins were maintained despite the further strengthening of sterling.

Newly-acquired Stanley Gibbons made a first-time contribution of £10.23m (nil) with pre-tax profits of £1.37m. Profit before tax and interest of Stanley Gibbons for the full year to December, 1978, before it became part of the Letraset Group was £2.27m.

The purchase by Stanley Gibbons of the $10m Marc Haas stamp collection should have a significant effect on the division's trading during the current year, despite a slowing down in the latter stages of the first half in a less buoyant UK market.

Leisure Products division has performed well in increasingly difficult trading contditions, and the strength of sterling has weakened its competitive position in the export makets, says Mr. Fieldhouse.

However, the division continues to show a healthy return on capital, and turnover for the first half increased from £5.93m to £6.42m. Pre-tax profits dropped from £1.2m to £1.05m.

The group's other income of £652,000 includes £472,000 damages receivable in final settlement of past patent infringement in the year to April 30, 1979.

Tax accounted for £2.76m (£2.72m) and profit attributable was £3.5m against £2.44m. Stated earnings per 10p share increased from 7.94p to 9.29p, and the net interim dividend is 1.09p (0.987p)—last year's total was 6.49018 from pre-tax profits of £10.5m.

See Lex

US & General

Pre-tax income for 1979 of United States and General Trust Corporation investment trust advanced from £1.02m to £1.39m and a final of 5.61p net per 25p share lifts the total dividend to 10.29p, which includes a non-recurring 1.68p—last year's total was 6.834p.

After tax of £477,067 against £382,709 earnings are shown as 10.89p per share compared with 7.47p.

Net asset value is given as 248.7p (254.6p) after deducting prior charges at par.

Western Board advances

UNLESS THE dislocation of the steel strike is widespread and continues for a substantial period, it would appear that Western Board Mills is heading for profits in excess of the £1.2m achieved in 1978-79.

This is forecast by the directors in their interim report. For the half year ended September 30, 1979, the group has pushed up its profit from £548,000 to £655,000 on turnover £210,000 higher at £1.8m.

And results to the end of November show a continuation of increased profits, the directors add.

After tax of £340,000 (£295,000) the half-year net profit came out at £315,000 (£253,000). The interim dividend is lifted from 1.4p to 1.7p net—the 1978-79 final was 3p.

Colloids' fall at halfway

HIGHER raw material and manufacturing costs and the strength of sterling resulted in a sharp downturn in pre-tax profits of Allied Colloids Group, from £2.6m to £1.51m, in the half-year to September 29, 1979.

Changes in currency rates over the year reduced the industrial chemical manufacturer's profit by £0.75m, say the directors, pointing out that three-quarters of the group's turnover is sold overseas.

But they anticipate that price increases and expected higher turnover should lead to better results in the second half. Last year, total pre-tax profits rose from £4.54m to a record £5.96m.

First half sales advanced 24 per cent from £13.51m to £16.71m, with £12.39m (£10.03m) coming from overseas and £4.32m (£3.48m) from the UK.

An extensive capital investment programme aimed at increasing productive capacity has resulted in a lower tax charge this time of £189,000, compared to £1.09m.

The interim dividend is held at 0.644p net—last year's final was 1.897p.

● **comment**

The disappointing half-time results from Allied Colloids should provoke a hard look at its speculation-boosted earnings multiple. On Tuesday the shares stood at 136p—on an historic p/e of 16 and a yield of 2.7. Yesterday's figures knocked the price down 10p. Outside estimates are for full-year profits of £4m, giving a prospective fully-taxed p/e of 28. The implied expectation is that September's mystery bidder may be on its way back. But whatever it will be willing to pay the 180p which some market men suspected was last year's offer must be in doubt. Allied's main problem last half was being in a bad place in the knock-on chain of higher oil prices. It absorbed a rise of perhaps 30 per cent in its principal feedstock cost, while the prevalence of contract customers meant waiting up to nine months to bring prices in line. Allied also has more grounds than most to complain about the strength of sterling, with three-quarters of its sales overseas. For next year, it must be looking nervously at proposed gas tariff increases, and another oil price hike could set back margin recovery. Fundamentally, the balance sheet is in good shape, and capital investment has kept plant well up to scratch.

BRITISH CINEMATOGRAPH

In the half year ended 31 July, 1979, British Cinematograph Theatres made a profit of £50,315, against £24,931. The tax charge is £51 (£237).

Reo Stakis up 28% and ahead in current year

FOLLOWING A RISE of over 36 per cent to £1.37m in first-half profits, the Reo Stakis Organisation ended the 52 weeks to September 30, 1979 with pre-tax surplus ahead by 28 per cent from £2.77m to a record £3.56m. Turnover was up 11 per cent to £58.63m.

Increased contributions were achieved by both the hotels and inns and casinos divisions, but this was partly offset by a down-turn on the wholesale wines and spirits and off licences side.

However, so far in the current year, trading results in all divisions have been ahead of 1978-79.

	1978-79 £000	1977-78 £000
Turnover	58,630	52,712
Hotels and inns	26,173	21,889
Casinos	6,069	4,690
Wholesale wines & spirits & off licncs.	26,398	26,153
Trading profit*	4,105	3,103
Hotels and inns	2,198	1,559
Casinos	1,359	882
Wholesale wines & spirits & off licncs.	548	662
Interest paid	393	328
Employee sh. scheme	148	—
Profit before tax	3,564	2,775
Tax	1,067	977
Net profit	2,497	1,798
Extraord. debit	11	†38
Attributable	2,486	1,834
Dividend	619	354
Retained	1,867	1,480

* Struck after depreciation of £278,000 (£75,000). † Credit.

Stated earnings per 10p share advanced from 5.08p to 7.05p and the dividend total is stepped up to 1.75p (0.992p) net, with a final of 1.366p. A one-for-two scrip issue is also proposed.

The pre-tax result was struck after depreciation of £278,000 (£75,000), interest of £393,000 (£328,000) and £148,000 this time for the employee share scheme.

● **comment**

Adding back the employee share scheme deduction, pre-tax profits from *Reo Stakis* are ahead by around one-third which is an impressive achievement given the impact of the VAT hike on volume in the last quarter and the sharp rise in depreciation charges. A high level of disposable income helped casino profits but the mainstay of growth remains the hotel division which improved by 41 per cent over the year. With no hotels in London, the group is less sensitive to occupancy levels than, for example, Trusthouse Forte, which also reported yesterday. The weak link is the off-licence side which was hit by changes in licensing laws over the first half and by rationalisation. Earnings here are improving, however, and with a hotel tariff increase averaging around 10 per cent behind it, Reo has the wind in its sails. The shares, at 59p, trade on a stated p/e of 8.2 which is not much above the sector average and looks fully justified. The yield, however, is a humble 4.3 per cent even after a 75 per cent payment increase.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: AGB Research, British Electric Traction, William Cook (Sheffield), Courts (Furnishers), Dixons Photographic, A. and J. Gelfer, London and Montrose Investment Trust, Provincial Cities Trust, J. Saville Gordon, Henry Wigfall.

Finals: Associated Paper Industries, S. and W. Berisford, Eurotherm International, Gestetner, Grand Metropolitan, Greenfriar Investment, South African Land and Exploration, Southvaal, Vaal Reefs Exploration and Mining, Western Deep Levels.

FUTURE DATES

Interims:
Ashley Industrial Trust .... Jan. 28
Macarthys Pharmaceuticals ... Jan. 24
Regional Properties .... Jan. 23
Finals:
Blundell-Permoglaze .... Jan. 31
Throgmorton Trust .... Jan. 30

SCICON ACQUIRES SCAN BUREAU

Scicon Computer Services, the Milton Keynes based computer service bureau subsidiary of British Petroleum, has acquired Scan, the city bureau which provides on-line computer services to the financial markets.

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UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unem-ployed	Vacs.
1978							
3rd qtr.	111.3	104.8	103	110.7	266.6	1,380	[illegible]
4th qtr.	110.3	103.1	103	111.7	273.0	1,340	[illegible]
1979							
1st qtr.	109.5	102.0	97	110.3	276.4	1,351	[illegible]
2nd qtr.	115.5	108.1	107	116.7	297.3	1,299	[illegible]
3rd qtr.	112.9	102.9	101	110.1	300.5	1,269	[illegible]
June	117.5	110.3	111	120.3	309.3	1,280	[illegible]
July	116.3	107.5	98	108.7	294.4	1,279	[illegible]
August	111.7	101.3	104	111.5	304.3	1,265	[illegible]
Sept.	110.7	99.8	101	110.0	302.3	1,264	[illegible]
Oct.	113.0	104.4		111.4	309.5	1,282	[illegible]
Nov.				113.8	317.2	1,282	[illegible]
Dec.				113.5		1,294	[illegible]

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
3rd qtr.	108.4	99.0	122.7	100.2	99.2	103.7	23.4
4th qtr.	106.0	96.9	124.0	96.9	99.0	102.4	20.4
1979							
1st qtr.	105.3	98.6	126.3	98.1	98.8	99.1	12.9
2nd qtr.	109.1	105.0	133.4	103.8	110.7	103.6	21.3
3rd qtr.	105.2	95.8	132.2	94.2	105.1	100.9	20.7
June	111.0	106.0	137.0	105.0	115.0	106.0	25.4
July	108.0	102.0	136.0	102.0	115.0	101.0	22.6
August	104.0	94.0	130.0	92.0	93.0	99.0	18.3
Sept.	103.0	91.0	131.0	88.0	107.0	103.0	21.2
Oct.	105.0	102.0	130.0	99.0	97.0	99.0	20.9
Nov.							19.2

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£bn); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1978							
3rd qtr.	123.9	115.4	−0.367	+0.299	−501	106.1	16.55
4th qtr.	123.9	112.9	−0.039	+0.614	−480	106.9	15.77
1979							
1st qtr.	109.4	117.2	−1.610	−1.238	−234	108.0	16.78
2nd qtr.	136.7	131.4	−0.682	−0.575	−227	107.9	21.69
3rd qtr.	132.3	129.5	−0.406	−0.220	−166	108.5	23.18
4th qtr.	132.8	129.1	−0.535	−0.385	−177	106.1	
August	130.7	131.4	−0.194	−0.132	−130	108.4	22.30
Sept.	132.0	129.3	−0.185	−0.123	+ 8	107.1	22.75
Oct.	128.6	134.1	−0.418	−0.368	− 85	106.4	22.49
Nov.	133.7	125.0	−0.045	+0.005	− 12	106.1	22.42
Dec.	136.1	128.1	−0.072	−0.022	−104	105.7	22.72

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1978							
3rd qtr.	17.2	8.1	4.2	+ 572	746	1,559	10
4th qtr.	14.9	11.9	8.6	+1,774	878	1,584	12½
1979							
1st qtr.	7.6	9.3	32.6	+1,524	777	1,583	13
2nd qtr.	9.7	17.2	28.5	+2,705	777	1,868	14
3rd qtr.	11.5	9.9	13.2	+2,414	933	1,879	14
July	7.1	14.3	34.1	+ 439	229	638	14
August	6.1	12.4	29.8	+1,057	293	634	14
Sept.	11.5	9.9	13.2	+ 925	411	616	14
Oct.	15.7	15.1	14.6	+1,549	544	663	14
Nov.	6.3	13.1	19.1	+1,187	134	691	17
Dec.					161		17

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1978							
3rd qtr.	133.2	144.9	154.8	199.2	206.2	253.74	62.4
4th qtr.	136.4	147.1	157.3	202.6	208.0	257.69	62.7
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.8	268.83	64.0
2nd qtr.	147.3	163.3	168.0	216.5	225.2	293.65	67.4
3rd qtr.	154.1	169.9	176.4	231.1	231.9	301.66	71.0
July	155.6	168.1	174.8	229.1	231.2	278.92	71.9
August	153.3	169.1	176.3	230.9	231.8	290.04	71.4
Sept.	153.6	172.5	178.2	233.2	232.6	301.66	69.8
Oct.	158.1	178.1	180.3	235.6	234.8	291.34	68.9
Nov.	162.2	181.5	186.1	237.7	237.0	297.22	69.6
Dec.		186.7	183.0			295.12	70.2

* Not seasonally adjusted.

Thos. French 33% jump

CONTINUING THE progress made in recent years, Thomas French and Sons, maker of curtain styling products and electric surface heating products, reports pre-tax profits up by 33 per cent from £1.22m to £1.63m for the 12 months ended September 29, 1979, on sales ahead 16 per cent at £15.4m.

In June, when announcing first-half profits of £774,944 (£540,231), Mr. T. J. French, the chairman, said he would be disappointed if profits for the full year did not reach £1.5m.

Stated yearly earnings increased from 14.9p to 23.2p per 20p share, while the total net dividend is lifted by 61 per cent to 4.5p (2.8p) with a final of 3.1p.

The group's "Rufflette" companies at home and abroad, which manufacture tapes, tracks, decorations and accessories for curtains and which still form the largest part of the group, had a successful year.

The narrow fabric manufacturing interests based at Derby were expanded with the acquisition of the established Tamworth business of E. B. Hamel and Son.

The two electrical and electronic products companies both made significant strides and greatly increased their profit contributions. The directors are confident of further growth in the current year.

Tax for the 1978-79 year took £724,881 (£650,644). After minorities of £30,556 (£2,041) and extraordinary debits of £25,295 (£16,457), available profits expanded from £542,017 to £845,348.

Dividend cost rose from £105,000 to £168,750.

● comment

Thomas French has come through with a strong pre-tax rise of 33 per cent and the market reacted by marking the shares 10p higher at 98p yesterday. In the world of curtain styling products the group's "Rufflette" brand name is selling well in the UK and abroad (about one-third of group profits come from overseas operations). In particular, the group's South African subsidiary appears to be recovering. The certain side of the group's business accounts for well over three-quarters of profits. The smaller electrical products side, however, also seems to be moving ahead. With negligible borrowings and a satisfying performance, the board is now looking ahead to "further growth" in the current year. The p/e stands at a modest 4.1 on stated earnings and after a 61 per cent dividend rise, the yield comes to 6.8 per cent.

Mr. Morley outlines policy for Belhaven

MR. ERIC MORLEY confirmed yesterday that Belhaven Brewery will be selling its Bermuda hotel, and he gave shareholders a hint of his future policy for the group.

At the extraordinary general meeting he was unanimously elected chief executive and joint chairman.

Mr. Morley said he would leave the brewery to go on making excellent beer, and devote his efforts to selling more of it.

He added afterwards: "We will be looking for deals that increase the sale of beer, but we shall also expand into other leisure activities, and any proposition that will give us the right return will be examined quickly. I am in partnership with some very influential people and the sky is the limit if we get the right proposition."

Referring to the Bermuda hotel, which lost £206,000 last year, Mr. Morley said one of his first tasks would be to sell it as soon as a reasonable price could be obtained.

"We are bound to make a loss on it, but it was pie in the sky and a matter of personal ego for a company this size to try to manage a hotel in Bermuda," he added. "It requires a large sum of money spent on it and the best thing to do is to sell it."

When the hotel was sold, there was no reason why the group could not go on to regular increased profits. The brewery was operating profitably at only 60 per cent capacity and there was already a contract nearing completion that would substantially increase this utilisation, he said.

At the meeting it was announced that Sir Billy Butlin is to join the associates of the former Mecca chief who are moving into the group.

Sir Billy will join Mr. Morley, Sir Fred Pontin and Mr. Trevor Baines in taking up between them 800,000 new 25p shares at par, with an option on a further 2.2m shares at 30p.

Unlike the other three, Sir Billy, who lives in Jersey, will not join the board.

Reduced dealing profits hit Stock Conversion

REDUCED DEALING PROFITS

Reflecting a dramatic reduction in dealing profits from £1.88m to £66,000, pre-tax revenue of Stock Conversion and Investment Trust slipped to £4.18m in the six months to September 30, 1979, against £4.95m.

No substantial dealing profits have yet been realised nor are expected to accrue during the second half, say the directors, and although net income from all other activities is expected to increase, total taxable revenue for the year is unlikely to reach the 1978-79 level of £8.65m (£5.36m).

Net rental and investment income for the first half improved from £2.98m to £4.06m. Minorities took £773,000 (£593,000) and the share of associates' profits rose from £686,000 to £824,000. Tax takes £1.37m (£2.27m).

The interim dividend is stepped up from 1.34p to 2.1875p net to reduce disparity—last year's final was 2.625p.

He adds that the board is determined to follow a course of action which will ensure a return to acceptable levels of profitability.

As reported on December 21, 1979, taxable profits of the rope, wire and sheet metal maker tumbled from £1.1m to £427,000. To reduce the effects of overcapacity at a time of declining markets, two factories have been closed and two others amalgamated.

Meeting, Grosvenor House Hotel, February 7 at 5.30 p.m.

Redfearn sees similar profits

Results for the current year at Redfearn National Glass are likely to be comparable to those of 1978-79, Mr. John L. C. Pratt, the chairman, tells members in his annual review.

As reported on December 13, 1979, profits for the September 30 year were down from £3.9m to £3.3m on turnover of £55.97m (£48.05m).

A rebuild of one of the group's large furnaces at York is planned for 1980, and total capital expenditure is expected to be higher than the £3.7m for 1978-1979.

On a CCA basis profits are reduced to £1.29m after extra depreciation, £1.72m, cost of rates £486,000, monetary working capital £330,000, less gearing, £516,000.

Meeting, Royal Station Hotel, York, February 13, at noon.

Hawkins and Tipson plans for recovery

Following the omission of a final dividend for the year to August 31, 1979, Mr. A. J. Barrett, new chairman of Hawkins and Tipson, tells shareholders in his annual report that dividend policy will be reconsidered when the results for the six months to February 1980 are known, and the progress of remedial action being taken can be seen.

Burton £20m shop refit

THE Burton Group will be spending a further £20m this year on shop modernisation, with most of the investment going on menswear properties.

Altogether a total of 100 shops trading under the Burton name will be upgraded in a move described by Mr. Cyril Spencer, group executive chairman and joint managing director, as an expression of the group's continuing high level of confidence. There are plans too for a revamp of a number of Top Shops, where trading over recent months has been hit by weak demand for women's fashions.

Mr. Spencer, who was speaking at the group's annual meeting in Leeds, said levels of trade were 20 per cent above last year after the first 19 weeks of the current half. Menswear appears to have been stronger than womenswear during this period but sales at Top Shops are also ahead of the same period last year and results from Evans Stores are described as particularly good.

A contribution to 1979-80 profits is also expected from Dorothy Perkins, which was acquired after the end of the last financial year. The current major programme of reorganisation at Dorothy Perkins includes the introduction of merchandise control systems along lines employed elsewhere in the group. These will enable the new chain to respond much more quickly to fashion trends, and to re-order accordingly.

In menswear, the decline in made-to-measure suits is apparently continuing, although some pick-up was experienced before Christmas. The company now has only one made-to-measure suit factory—at Walkden in Lancashire—and said yesterday that it would keep this trend under review. One of Burton's main high street rivals, John Collier, announced a major reduction in its suit manufacturing activities two weeks ago.

An extraordinary general meeting after the annual meeting approved the board's proposal to enfranchise holders of non-voting A shares. The results of the company, published in December, showed profits before tax for the year to September 1 up from £6.78m to £17.4m, on sales of £165.2m (£153.3m).

Serck redirects strategy

THE DIRECTORS of Serck, the engineering concern, have decided to redirect the group's strategy to reduce the effect of extreme market fluctuations in mechanical engineering in the UK, says Mr. R. G. Martin, chairman, in his annual statement.

Basically, the group aims to become less dependent upon high volume, low technology markets in its mechanical engineering businesses, and to place more emphasis upon products and services with better sustainable growth characteristics, some of which lie in higher technology.

This implies, the chairman continues, a greater degree of selectivity for the group's valve businesses, geographical expansion outside the UK, and an emphasis on developing the higher technology growth markets connected with Serck Controls and Serck Water Processing.

This strategy will also be applied to Heat Transfer, he adds, but currently priority has to be given on this side to recovery of profitability lost by industrial disputes—strikes cost the group some £2.5m of lost profits last year.

The emphasis at Serck Services must be to keep pace with change and to look for new growth markets, certain of which lie in geographical diversification. This is presently being exploited in the Middle East, he says.

Pre-tax profits tumbled from £5.15m to £1.6m in the year to September 30, as reported on December 12. The net total dividend is cut to 3.4p (6.534p).

The directors estimate that, on a CCA basis using ED 24, there would have been a pre-tax loss of £2.1m this time.

The chairman said in his preliminary statement that the better trend shown in the second half of 1978-79 was continuing in the current period. He expected a much improved year.

At balance date, group fixed assets totalled £27.06m, against £19.71m. Net current assets were slightly higher at £18.83m (£18.42m). Borrowings increased by £7.16m (£1.84m) during the year.

Meeting, Birmingham, on February 14, at noon.

NORTH AMERICAN NEWS

Growth slows at Chase Manhattan

BY DAVID LASCELLES IN NEW YORK

CHASE MANHATTAN, New York's number two bank, increased its earnings by more than 50 per cent last year, though the surge tailed off in the last quarter.

Full year earnings were $311.2m, equal to $9.07 a share—up from $197.2m or $5.59 a share in 1978. Fourth quarter earnings were $76.7m, 31 per cent up on the same period of 1978, but 6 per cent down on the third quarter. Chase ascribed this dip to lower overseas net interest income and higher operating expenses. Generally, though, Chase said the year as a whole produced higher interest and other operating income.

Wells Fargo has lifted earnings before securities transactions to $130.2m for 1979, a gain of 12.3 per cent over the previous 12 months. In the final quarter, the pace of growth slackened to show a gain of 10 per cent to $33.5m in income before securities transactions.

Also for the full year, net earnings after securities transactions totalled $27.7m against $27.1m. Share earnings for the year increased from $5.16 to $5.75.

The bank said its provision for loan losses in 1979 rose 32 per cent to $62.9m in step with the increase in loan volume. Loan volume at year-end was $15.20, up 18 per cent from a year ago.

The retail banking group was the most significant contributor to total earnings.

Crocker National reported an increase of 19 per cent to $89.4m in operating net earnings in 1979. Share earnings moved up from $5.95 to $6.69 a share. In the final quarter, operating net put on 5 per cent to $26m, with share earnings equalling $1.91 compared with $1.94 last time or $1.74 against $1.68 after dilution.

First National Bank of Chicago disclosed that earnings for 1979 have fallen by 12 per cent to $115.5m, or from $3.30 a share to $2.91. This was mainly due to a sharp drop in the final quarter, from $33.3m to $17.6m.

First Chicago blamed the drop on lower spreads for both domestic and foreign loans and on a 13 per cent increase in expenses. The bank said it continues to be sensitive to risks and opportunities in the international area and has closely monitored country credit risks, an approach that it says is particularly relevant in this turbulent international period.

Arco puts $25m into solar energy

By Our New York Staff

ATLANTIC RICHFIELD (Arco), the large West Coast oil company, has strengthened its commitment to solar energy by investing $25m in a small Michigan company which specialises in the transformation of sunlight into electricity. By some industry estimates, this is the largest single investment ever made in solar energy.

The Michigan company is Energy Conversion Devices which is considered a maverick in the alternative energy field, but which claims to have made breakthroughs in the production of basic materials for solar cells.

Arco first invested $3.3m in the company last spring, but has now decided substantially to increase that stake.

Burroughs fourth quarter earnings up to expectations

BY OUR FINANCIAL STAFF

CONTINUED GROWTH in the final quarter left earnings for 1979 at Burroughs Corporation, the office machinery group, with a 20 per cent gain at $305.5m. Share earnings of $7.45 compare with $6.21 last time. Sales gained 12 per cent to $2.8bn.

In the final quarter, earnings put on 19 per cent to $132.5m, with share earnings at $3.23 against $2.73 last time. Sales, at $881.7m, are 12 per cent higher.

Earnings for the final quarter were affected by a 32 per cent increase in research and development outlays, said the company.

The year-end earnings are in line with forecasts from Wall Street analysts for Burroughs, which manufactures business machines, computers and office supplies, but sales are slightly below forecasts.

Meanwhile, Honeywell, the major computer group, fell short of Wall Street predictions with year-end earnings of $10.95 a share against $8.48 previously. Total net was 32 per cent up at $240m, on sales 19 per cent higher at $4.21bn. While there was no comment available from the company yesterday, the sales trend was similar to that of IBM.

For the final quarter, Honeywell recorded a 10 per cent rise to $68.2m in earnings, with share earnings of $3.07 against $2.89 previously. Sales gained 19 per cent to $1.23bn.

Standard Brands in $27m deal

NEW YORK—American Distilling has agreed to sell substantially all of its alcoholic beverage trademarks and brand names and its inventories of those products to Standard Brands for between $27m and $29m.

The final selling price is dependent on the extent of case sales prior to the closing.

American Distilling said that net proceeds from the sale will range from an estimated $20.5m to $22.5m after provision for associated liabilities and before taxes.

Reuter

First quarter gain at Bendix

BY OUR FINANCIAL STAFF

DESPITE sharp setbacks in its automotive and forest products divisions, Bendix Corporation reports higher earnings for the first quarter of the year ending September, 1980.

At the per share level, earnings have risen by 8¼ per cent to $1.78 following gains of a tenth in the overall total to $41.2m. Sales for the three months are 6 per cent higher at $972.2m.

The upturn stems largely from increased returns in aerospace and electronics, and from what Bendix describes as dramatically higher income from its investment in the non-ferrous metals group, Asarco.

Bendix holds an investment of around 21 per cent in Asarco, and includes a portion of the company's results in its accounts on an equity accounting basis.

Last month, when predicting an improved first quarter result, Bendix was at pains to stress that without a contribution from Asarco profits "would probably show a decline on year ago levels."

Bendix first took a stake in Asarco in April 1978 when it acquired just over 14 per cent of the non-ferrous smelter's capital for $87m. Asarco is the largest custom smelter of non-ferrous metals in the U.S.

Mr. William M. Agee, chairman of Bendix, pointed out yesterday thaat the healthy returns from Asarco stemmed mainly from the sharp rise in the prices of primary metals.

For the whole of the current year, Mr. Agee has already forecast another good year. In 1978-79, Bendix increased earnings by a quarter to $162.6m on sales of $3.9bn, up almost 6 per cent.

The group's earnings advance in the final three months of last year extended to 16 per cent.

Merger lifts Shearson profits

BY OUR NEW YORK STAFF

SHEARSON LOEB RHOADES, the first Wall Street investment firm to report for the final quarter of last year which saw some of the most hectic market conditions, yesterday said its earnings had increased more than three times.

The company earned $11.9m or $2.15 per share, up from the previous year's $3.2m or 59 cents. Revenues more than doubled from $68m to $147m.

These figures brought Shearson's six-month earnings to $20.9m or $3.83 a share, up from $10.3m ($1.95), the year before. Revenues were $257.6m compared with $149.1m.

Mr. Sanford Weill, chairman, said much of the improvement was due to the company's merger in the closing months of last year with Loeb Rhoades, and said many of the combined firm's operations had increased much more quickly as a result.

He said that investment advisory services were a particularly fast growing segment of the company's business adding that Shearson now had some $3.6bn under management.

As a result of the merger with Loeb Rhoades, Shearson's capital increased from $189m at the end of 1978 to $245m at the end of 1979.

Rosario bid goes ahead

By Robert Gibbens in Montreal

THE TORONTO-BASED Hudson Bay Mining and Smelting Company, which is controlled by the Anglo-American Corporation of South Africa, was yesterday proceeding with its offer to buy Rosario Resources Corporation of the U.S. Earlier, a New York State district court gave permission for the offer to go ahead without delay.

HB Holdings, a wholly-owned U.S. subsidiary of the Toronto concern, has offered $65 per share in cash for Rosario Resources, the New York-based metals and natural resources group.

Sea Containers' China project

BY WILLIAM HALL, SHIPPING CORRESPONDENT

SEA CONTAINERS is investing in a $10m container factory in the People's Republic of China. This is understood to be the second U.S. investment in a Chinese Container factory.

Sea Containers' partners in the deal are the East Asiatic Company of Copenhagen and China Merchants Steam Navigation Company (CMSN)—one of the main Chinese shipping companies.

Sea Containers and East Asiatic have formed a joint company, China Container Consortium, and this will own half of China International Marine Containers. The rest will be owned by the Chinese.

The factory, designed by Sea Containers, will start production in 1982 and its initial output will be 3,500 TEUs per annum building up to 10,000. Sea Containers will purchase a substantial part of the output. The Sea Containers Group owns 173,000 TEU containers. According to Mr. James Sherwood, the company's president, the new factory which will be only 34 miles from Hong Kong's container terminal, will be the main source of supply for Sea Containers' South East Asia market. The workforce will be trained initially at the group's Chicago factory.

The Sea Containers deal differs from an earlier deal completed by its arch rival, Container Transport International, in that it is a long-term joint venture rather than a short term trade compensation arrangement. It is understood that CTI only has the right to buy the first five years' output at a fixed price in return for providing skilled knowhow. It was not much more than a consultancy arrangement. However, Sea Containers insists that this will give it long-term access to one of the lowest cost container manufacturers in the world.

Santa Fe expects to be on target

LOS ANGELES—Santa Fe International, the oil and gas company, expects fourth-quarter net income to be "similar or a little better" than the 54 cents a share earned in the previous three months, according to Mr. Randolph, manager of financial planning. In the 1978 fourth quarter the group earned 47 cents a share.

For 1979 Mr. Randolph said earlier estimates that the company would earn 50 to 75 cents a share would be in the ball-park. In 1978 Sante Fe earned $2.67 a share.

Mr. E. L. Shannon, group chairman, said the drilling and oil and gas operations would have a record year in 1980 because of rising production from the Thistle North Sea field.

But the company's engineering and construction division will report a substantial loss for 1979 and it was "an open question whether it will break even in 1980," he said.

Reuter

£50m Citicorp sterling issue

BY FRANCIS GHILES

A £50m ten-year sterling-denominated Eurobond was launched last night by Credit Suisse First Boston for Citicorp Overseas Finance Corporation. The borrower is paying a coupon of 13¼ per cent for this bond, the first sterling Eurobond to be issued since July last year.

This is the second sterling bond for this borrower which issued a £20m 15-year bond in March 1978 through S. G. Warburg.

Persistent rumours throughout the day that one, if not two, sterling Eurobonds were imminent, pushed the prices of older sterling issues down.

More recent issues shed about ½ point on the day, but outstanding sterling bonds launched more than 12 months ago registered sharper falls. The Courtaulds £20m to 1999 bond, which carries a coupon of 9¾ per cent, dropped a full two points to 80½.

Lex Back Page

Bache acquisition

Albert & Bender, the insurance brokerage subsidiary of Bache Group has acquired Cohn Dach & Howard, an insurance brokerage in Los Angeles, reports AP-DJ from New York.

U.S. QUARTERLIES

AKZONA

	1979 $	1978 $
Fourth quarter		
Revenue	275.6m	224.5m
Net profits	6.93m	5.53m
Net per share	0.57	0.45
Year		
Revenue	1.01bn	868.7m
Net profits	25.65m	20.83m
Net per share	2.10	1.69

ARCHER DANIELS MIDLAND

	1979 $	1978
Second quarter		
Net profits	27.98m	17.62m
Net per share	0.80	0.51
Six months		
Net profits	52.17m	27.69m
Net per share	1.50	0.80

AUTO DATA PROCESSING

	1979-80 $	1978-79 $
Second quarter		
Revenue	110.6m	90.8m
Net profits	9.58m	8.17m
Net per share	0.63	0.54
Six months		
Revenue	213.0m	175.0m
Net profits	17.53m	14.85m
Net per share	1.15	0.99

FED. NAT. MORTGAGE ASS.

	1979 $	1978 $
Fourth quarter		
Net profits	37.0m	51.1m
Net per share	0.63	0.91
Year		
Net profits	161.7m	209.0m
Net per share	2.81	3.81

FILMWAYS

	1979-80 $	1978-79 $
Third quarter		
Revenue	74.9m	41.1m
Net profits	1.92m	2.89m
Net per share	0.31	0.57
Nine months		
Revenue	190.1m	116.7m
Net profits	5.89m	6.54m
Net per share	1.02	1.40

INTL. MIN. & CHEMICAL

	1979-80 $	1978-79 $
Second quarter		
Revenue	443.5m	347.8m
Net profits	37.8m	27.9m
Net per share	2.08	1.56
Six months		
Revenue	830.6m	662.8m
Net profits	70.8m	51.6m
Net per share	3.90	2.87

MEASUREX

	1979 $	1978 $
Fourth quarter		
Revenue	33.4m	26.4m
Net profits	2.49m	2.44m
Net per share	0.71	0.71
Year		
Revenue	119.5m	88.5m
Net profits	9.93m	8.77m
Net per share	2.82	2.60

OHIO EDISON

	1979 $	1978 $
Fourth quarter		
Revenue	252.6m	226.6m
Net profits	37.6m	19.1m
Net per share	0.49	0.23
Year		
Revenue	984.6m	863.0m
Net profits	134.8m	86.0m
Net per share	1.80	1.19

REEVES BROTHERS

	1979 $	1978 $
Second quarter		
Revenue	82.31m	84.81m
Net profits	4.28m	6.48m
Net per share	1.76	2.51
Six months		
Revenue	163.09m	171.82m
Net profits	8.35m	10.97m
Net per share	3.40	4.25

SCOTTY'S

	1979-80 $	1978-79 $
Third quarter		
Revenue	62.3m	47.7m
Net profits	2.50m	1.83m
Net per share	0.50	0.38
Nine months		
Revenue	116.97m	91.2m
Net profits	4.55m	3.47m
Net per share	0.92	0.72

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. Closing prices on January 16

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	89¾	90¾	+0½	0	11.81
Alex Howden XW 9½ 91	30	75	77	−0⅝	−2	13.77
Aquitaine Can. 11¾ 85	30	96½	97	−0⅛	−0¾	12.16
Australian Res. 9⅝ 84	30	91⅝	92⅛	0	0	12.01
Avco O/S Cap. 10¾ 87	40	81⅞	82⅞	0	−0½	14.31
Beneficial Fin. 9⅝ 87	100	89½	90	−0⅛	−0¾	11.86
CECA Grad. Rate 12 88	100	96½	96⅞	−0⅛	−0⅝	12.75
CECA 9⅝ 99	125	†80	80½	0	−0⅞	12.85
Canadian Pacific 9⅝ 89	50	89¼	89¾	−0⅛	−0⅛	11.63
Carter Hawley 9⅝ 86	50	89⅜	89⅞	−0½	−0⅛	12.13
Comalco Inv. E. 10¾ 91	40	90	90½	0	−0⅛	11.82
Continental Grp. 9⅝ 86	100	89½	90	0	0	11.96
Dome Petroleum 10 94	50	88⅛	88⅝	−0⅛	−0⅞	11.68
Dominion Bridge 10¾ 84	30	94½	95	−0⅛	−0⅛	11.80
EIB 11⅜ 92	80	96⅜	97¼	0	−0⅜	12.24
EIB 10 99	150	84⅜	85⅜	0	−0⅜	12.35
EIB 10¾ 87	100	91⅞	92⅜	0	−1	12.21
EIB 10.15 99	100	85⅜	86⅜	0	−0¼	12.37
Ekportfin 11¼ 87	50	95⅞	96⅜	0	0	12.10
Export Dv. Cpn. 9¼ 84	100	91⅝	92⅛	−0½	0	11.83
Export Dv. Cpn. 9⅜ 84	150	93¼	93¾	+0⅛	0	11.65
Finland 9⅝ 89	100	87¼	87¾	+0⅛	+0⅛	12.16
GTE Finance 9⅝ 89	55	89	89½	−0⅛	+0⅞	11.66
GMAC 9½ 86	100	88⅞	89⅜	−0⅛	0	11.73
GMAC O/S Fin. 11 84	100	97¼	97¾	0	−0⅛	11.68
Gould Int. Fin. 9⅝ 85	50	92	92½	0	−0⅛	11.84
ITT Antilles 9½ 89	75	86⅛	86⅝	0	−0⅛	11.96
Kennecott Int. 9½ 86	100	86⅝	87⅛	0	0	12.54
Manitoba 9½ 89	75	86⅛	86⅝	−0⅛	−0¼	12.02
Michelin 10 94	125	87⅞	88⅜	0	0	11.72
Nat. Des. Telecm. 9½ 86	100	89⅞	90⅜	−0⅛	−0⅛	11.75
New Brunswick 9⅜ 94	75	85⅝	86⅛	0	0	11.85
Newfoundland 10 94	50	88⅜	88⅞	−0⅛	−0⅛	11.67
Norges Komm. 9⅞ 98	100	84¾	85¼	−0⅛	−0⅞	12.25
Norway 9½ 84	150	92¼	92⅞	−0⅛	−0⅛	11.75
Nova Scotia Pwr. 9⅜ 89	50	88⅛	88⅝	−0⅛	+0⅛	11.85
Occidental Fin. 10¾ 84	50	94	94½	0	−0⅛	11.97
Orient Leasing 9½ 86	25	87⅞	88⅜	−0⅛	+0⅛	12.23
Pennwalt O/S F. 9⅝ 84	25	92⅛	92⅝	−0⅛	0	12.05
Pepsico Cap. 9⅜ 84	100	92⅜	92⅞	−0⅛	−0⅛	11.58
Quebec Hydro 10 99	75	85⅞	86⅜	0	−0⅛	11.84
Sears Roebuck 9 82	150	94⅜	94⅝	−0⅛	+0⅛	12.20
Statoil 9⅜ 89	100	88½	89	0	0	11.61
Sweden 9⅜ 89	100	88⅜	88⅞	0	−0⅛	11.81
Sweden 9½ 86	200	90⅜	90⅞	+0⅛	−0⅛	12.02
Sweden 9⅜ 84	100	93⅛	93⅝	−0⅛	−0⅛	11.66
Unilever NV 9⅜ 87	100	88⅞	89⅜	−0⅛	+0⅛	11.60
Warner-Lambert 9 84	100	91⅜	91⅞	0	+0⅛	11.51

Average price changes... On day −0⅛ on week −0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev. Bk. 8 87	100	97¾	98¼	0	−0¼	8.35
Argentina 7½ 89	150	92⅝	93⅛	0	−0½	8.61
Asian Dev. Bk. 7¾ 89	100	93⅝	94⅛	−0⅛	−0⅛	8.17
Barclays O'seas 6¾ 89	100	92⅞	93½	−0⅛	−2⅛	7.83
Brazil 8 87	150	96⅛	96⅝	0	0	8.64
CECA 7 91	150	93½	94¼	−0⅛	−0⅛	7.83
Council of Eur. 7¾ 89	100	96½	96¾	0	+0⅛	7.88
EEC 7⅞ 94	225	97⅜	98⅛	0	−0¼	8.09
EIB 7½ 89	200	97⅜	98	+0⅛	−0⅛	7.86
EIB 8½ 89	100	—	—	—	—	—
Finland, Rep. of 8 86	150	98⅛	98⅞	0	−0⅛	8.26
Kobe, City of 7⅛ 89	150	97⅜	97⅞	+0⅛	−0⅛	7.49
Mitsubishi Chem. 6½ 84	70	96⅜	87¼	0	0	7.40
Neder. Gasunie 8 86	100	102⅞	103⅜	0	−0⅜	7.40
New Zealand 7⅛ 87	200	97⅜	97⅞	0	−0⅛	7.56
Nippon Kokan 6½ 84	100	94⅜	95⅛	0	−0⅛	8.01
Nippon Tel. & T. 5½ 87	100	86⅜	87⅛	−0⅞	−1⅛	7.98
Norges Komm. 7¾ 91	150	100⅛	100⅞	−0⅛	−0⅛	7.67
Norway 6¾ 84	200	97⅜	98	−0⅛	−0⅛	6.91
OKB 6 87	40	88½	89½	0	−0⅞	8.11
OKB 7⅛ 89	100	97⅜	97⅞	0	−0⅛	7.72
Tokyo Elec. Pwr. 6½ 85	200	94⅜	95½	−0⅛	−0½	7.64
World Bank 7¾ 91	400	97	97⅜	−0⅛	−0⅛	8.10
World Bank 7⅞ 90	250	97⅞	98⅜	+0⅛	−0⅛	8.16

Average price changes... On day −0⅛ on week −0½

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 88	80	94½	95	+0⅛	−0⅛	6.24
Aumar 5 89	60	93⅞	94⅛	−0¼	−0¼	5.84
Australia 3¾ 89	250	91⅛	91⅜	+0⅛	+0⅛	4.82
Bergen, City of 4¾ 91	40	96	96¼	−0⅛	0	5.20
BNDE 5 89	75	88	88½	−0½	−0⅛	6.70
BMW Overseas 4¼ 91	100	94⅜	95¼	+0⅛	−0⅛	4.82
Caisse Nat. Tele. 4⅜ 89	100	95¼	95⅜	−0⅛	+0⅛	4.97
Canada 3⅝ 89	300	92¼	92½	0	+0¼	4.66
Copenhagen 4½ 91	60	93	93½	−0½	−1	5.29
Council of Eur. 5 89	100	95⅞	96⅛	0	+0⅛	5.54
EIB 4½ 91	100	91¼	92	−0⅛	+0⅞	5.50
EIB 4⅜ 94	100	86⅞	87⅛	−0⅛	−0⅛	5.71
Elet. de France 4⅜ 89	100	96½	97	−1	−0⅛	4.80
GZB 4¼ 89	100	91⅜	91⅞	+0⅛	+0⅛	5.41
Hiltn 4½ 91	35	95½	96	+0⅛	+0⅞	4.73
ICI Fin. NV 3½ 94	230	81	81½	−0⅛	+0⅛	5.43
Int.-Amer. Dev. 4½ 89	100	90½	91	−0½	−0⅛	5.78
Malaysia 5 89	80	89½	90	−0⅛	−0⅛	6.45
Nippon Tel. & T. 4⅜ 89	100	95⅜	96⅜	0	0	4.77
Nordic Bank 5 89	45	100½	101	+0⅛	+0½	4.90
Norges Komm. 4⅜ 91	100	91⅜	91⅞	0	−0¼	5.34
OKB 3¾ 91	100	†84	89½	+0⅛	−0⅛	5.69
OKB 4⅜ 91	100	89⅜	89⅝	−0⅛	−0⅛	5.62
Oslo, City of 4⅜ 91	100	88⅜	89½	−0⅛	0	5.66
Shikoku El. Pwr. 4¾ 89	100	97	97½	−0⅛	0	5.12
Spain 4 91	100	87½	88	+0⅛	+0⅛	5.60
Steweag 4⅜ 91	60	95½	96	0	0	5.25
Voest-Alpine 4⅜ 89	90	96½	97	−1½	−2	5.19
World Bank 4⅝ 89	100	97¼	97¾	+0⅛	−0⅛	4.96
World Bank 4¾ 89	150	93⅜	94	−0⅛	+0⅛	5.19
World Bank 4⅜ 91	100	92½	92¾	−0⅛	−0⅛	5.48

Average price changes... On day −0⅛ on week −0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	90⅞	91⅜	+0½	+0½	8.62
Australia 6½ 88	20	85⅜	86⅜	0	+0⅛	8.87
EIB 7⅜ 89	12	97⅞	98⅜	−0⅛	−0⅛	7.89
Finland 5.6 83	10	89⅜	90⅜	0	+0½	8.88
Finland 6.8 88	10	87½	88½	+0⅛	+0⅛	8.96

Average price changes... On day 0 on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Avco Fin. 10¾ 86 C$	25	87⅞	88⅜	0	+0⅛	13.08
Bell Canada 10⅜ 86 C$	60	92⅞	93⅜	−0½	−0⅛	12.38
Cr. Foncier 10⅜ 84 C$	30	90⅝	91⅛	−0⅛	+0⅛	13.11
Ex. Dev. Cpn. 10 84 C$	50	92⅜	92⅞	−0⅛	+0⅛	12.25
Fst. Can. Inv. 10 84 C$	50	90⅝	91⅛	−0⅛	−0⅛	12.79
Hudson Bay 10½ 89 C$	60	89⅞	90⅜	0	+0⅛	12.33
Quebec 10⅜ 86 C$	50	90⅜	91½	−0⅛	−0⅛	12.34
R. Bk. Canada 10 86 C$	40	91⅝	92⅛	0	−0⅛	11.87
R. Bk. Canada 10 94 C$	20	84⅞	85⅜	0	−0⅛	12.23
Copenhagen 8⅜ 91 EUA	20	98⅜	99⅜	0	+0⅛	8.84
M. Bk. Dnmk. 9 91 EUA	25	†96	97	0	0	9.59
SOFTE 8⅜ 89 EUA	40	88⅞	89⅞	0	+0⅛	10.06
Algemene Bk. 8⅜ 84 Fl	75	97⅜	97⅞	+0⅛	+0⅛	8.87
Amev 8½ 85 Fl	75	97⅞	98⅜	+0⅛	0	8.87
Ned. Middbk. 8¾ 84 Fl	75	96½	97	+0⅛	+0⅛	9.20
Norway 8⅜ 84 Fl	100	96⅜	96⅞	+0⅛	+0⅛	9.32
Norway 8⅜ 84 Fl	100	98	98½	0	0	8.28
Rabobank 9 84 Fl	25	101	101½	+0⅛	+0⅛	8.86
Air France 11 84 FFr	120	†97	97½	−1	−1⅛	11.76
Euratom 9⅜ 87 FFr	150	86⅜	86⅞	+0⅛	+0⅛	12.70
Finland 11 84 FFr	80	†95⅜	96⅛	+0⅛	−0⅛	12.20
Finland 11½ 89 FFr	70	†94⅜	95⅛	+0⅛	0	12.44
Gaz de France 11 84 FFr	150	97⅜	98⅜	0	0	11.65
IBM France 11⅜ 84 FFr	120	†97	97½	0	0	12.05
Renault 9⅜ 85 FFr	100	88⅞	89⅜	0	−0⅛	12.58
Saint-Gobain 9⅜ 86 FFr	130	85⅞	86⅜	−0⅛	0	13.14
Solvay et Cie 9⅜ 87 FFr	125	83⅜	84⅛	+0⅛	+0⅛	13.32
Total Oil 9⅜ 87 FFr	150	83	84	0	+0⅛	13.06
EIB 11½ 91 £	25	88⅜	89⅜	−0½	+1⅛	13.48
Finance for Ind. 13 91 £		96⅜	97⅛	−0⅛	+0½	13.56
Fin. for Ind. 12⅜ 89 £	30	95⅜	95⅞	+0⅛	+2⅛	13.33
Gen. Elec. Co. 12½ 89 £	50	95⅜	96⅛	0	+1⅛	13.31
Indonesia 8⅜ 91 KD	7	†93½	94	0	0	9.66
Mitsubishi 7½ 84 KD	10	†95⅜	95⅞	0	0	8.69
Norges Kom. 7½ 89 KD	12	†93⅜	93⅞	0	0	8.61
Occidental 8½ 91 KD	7	†90⅜	90⅞	0	0	9.65
Akzo 9⅜ 87 LuxFr	500	95	96	0	+0⅛	10.10
Euratom 8 87 LuxFr	500	90⅜	91⅜	0	0	9.74
Euratom 9⅜ 88 LuxFr	500	99⅜	100⅜	0	0	9.79
Oslo, City of 8 89 LuxFr	500	90⅜	91⅜	0	+0⅛	9.54
Volvo 9⅜ 87 LuxFr	500	97⅜	98⅜	0	−0⅛	10.05

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5¼ 87	0¼	97⅞	98¼	2/7	15⅛	15.41
Banco di Roma Int. 6 87	0⅛	99⅜	100⅜	26/4	15⅛	15.77
Banco Urquijo 6 86	0⅛	†97¼	97¾	21/3	13⅛	13.72
Bank of Ireland 5⅜ 89	§0⅛	97⅜	97⅞	21/2	15.69	16.11
Bank of Tokyo 5⅜ 89	§0⅛	97⅜	98⅛	25/1	16.19	16.54
Barclays O/S Inv. 5 90	0⅛	97	97⅜	13/6	14⅛	14.55
Bergen Bk. A/S 6 89	§0⅛	95⅜	96⅛	29/2	14.31	14.91
Bque. Indo Suez 5⅜ 89	0⅛	98	98½	11/7	14.69	14.95
Citicorp O/S F. 6 94	§0⅛	98⅜	99	8/3	14.44	14.60
Citicorp O/S F. 83	§‡0	99½	100	23/2	15⅛	15.18
Citicorp O/S F. 84	‡0	99	99½	29/2	15	15.11
Co-operative Bk. 6 86	0⅛	97⅜	98⅛	15/5	15.06	15.37
Creditanstalt 5½ 91	§‡0⅛	97⅜	98⅛	14/3	14⅞	15.18
CNT 5⅜ 86	§0⅛	99⅛	99⅝	16/4	15.19	15.24
GZB 5½ 89	§0⅛	98½	99	1/2	16.19	16.39
Jugobanka 8 89	0⅛	94	95	23/5	16	16.93
Ind. Bank Japan 5⅜ 87	0⅛	97	97½	15/4	14⅞	14.65
LTCB Japan 5⅜ 86	0⅛	97⅜	97⅞	13/6	14⅞	14.60
LTCB Japan 5½ 89	0⅛	97⅜	97⅞	7/8	14.19	14.55
Mfrs. Han. O/S 5⅜ 94	§0⅛	98⅜	98⅞	29/2	13.81	14.01
Midland Intl. Fin. 5 89	0⅛	99⅜	100⅛	20/5	15	15.02
Nacional Fin. 6⅜ 86	0⅛	97½	98	25/1	11⅛	11.76
Nat. West. 5½ 94	§0⅛	97⅜	98⅛	11/4	14.91	15.23
Nippon Cred. Bk. 6½ 86	0⅛	97⅜	97⅞	12/7	14.44	14.79
Royal Bk. Scot 5⅜ 94	§‡0⅛	98⅛	98⅝	11/4	14⅛	14.85
Soc. C. de Bque. 6⅜ 87	0⅛	96⅜	96⅞	3/4	13⅛	13.73
Sogenal 5½ 89	§0⅛	96½	97	13/7	14.44	14.92
Sweden 8¼ 91	§0⅛	97½	98	18/1	15	15.35
TVO Pwr. 9 91 (D-lock)	0⅛	97⅛	97⅞	24/5	15.31	15.89
Williams & Glyn 5⅜ 91	0⅛	96½	97	14/3	13	13.44
Bq. E. d'Alg. 4⅜ 89 SF	0⅛	96⅜	97	18/6	6.69	6.92

Average price changes... On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Aktbolag 7⅛ 89	10/79	145	†100	101	+1	−3.96
Alco Int. Fin. 9½ 94	1/80	40	92⅞	93⅜	+0⅛	15.19
Asahi Optical 7 94	11/79	605	93⅞	94⅜	−1⅛	9.37
Canon 6⅜ 94	8/79	570	102½	103½	−1⅛	1.28
Ciba-Geigy O/S F. 4 94	9/79	675	†88	89½	+0⅛	−3.29
Credit Suisse 4⅜ 93	10/79	1325	110⅜	110⅞	−0⅛	−0.38
Daiei Inc. 6½ 94	11/79	1020	96⅜	97⅜	−0⅛	6.86
Essalte 7⅜ 89	9/79	158	93⅜	95	0	2.00
Honda Motor 5½ 89	6/79	532	107⅜	108⅜	+0⅛	3.82
LPC Internatnl. 8 89	9/79	35	100⅜	101	+0⅛	−6.59
Meidensha Elec. 7 94	12/79	210	93⅛	94	0	17.25
Mitsubishi Cp. 6⅜ 94	10/79	504	126	127⅛	+0⅛	8.70
Nippon Seiko 7⅜ 94	12/79	339	†95⅜	98	+0⅛	8.51
Nitto Elec. Ind. 6⅜ 94	7/79	735	78⅛	79⅛	−4	9.16
Toshiba Cpn. 7⅜ 94	10/79	196	96⅜	97⅜	−0⅛	8.22
Union Bk. Switz. 5 89	2/80	126	110½	112	0	5.35
Fujitsu 5 84 DM	7/79	475	87⅜	88⅛	0	17.54
Kansai Elec. 4 84 DM	4/79	1234	86½	87½	0	50.65
Tokyu Ld. Cp. 4 86 DM	4/79	493	78⅛	79⅛	−0⅛	61.31
Uny Co. 6½ 85 DM	11/79	1071	97⅜	98⅛	−0⅛	22.06

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

ITALIAN CHEMICAL INDUSTRY

Agreement reached on Montefibre reconstruction

BY PAUL BETTS IN MILAN

MONTEDISON, the Milan-based chemical group, and Mediobanca, the medium term special credit institute, have agreed on a L200bn ($250m) financial reconstruction for Montefibre, *Montedison's loss-making synthetic fibres and textiles subsidiary.*

The agreement could help clear the way for a new foreign shareholding in the Milan chemical conglomerate. Negotiations between Montedison and an unnamed U.S. interest for a possible American shareholding *in* Montedison are *understood* to be at an advanced stage.

Sig. Mario Schimberni, Montedison's deputy chairman, re*cently held talks in New York* with leading U.S. bankers and industrialists to discues the possibility of a substantial dollar loan for Montedison coupled with American participation in the Italian chemical group's parent company, Montedison SpA. Last year, the Saudi Arabian Interdec group, controlled by the Saudi financier, Mr. Garth Pharaon, bought a 10 per cent stake in Montedison for some L50bn.

The U.S. interests are understood to have indicated they will consider taking a minority stake in Montedison only when the financial problems at Montefibre have been resolved. During the last five years Montefibre has lost about L600bn and is running up a *monthly deficit averaging* L13bn.

The Montefibre financial recovery plan, to be announced *shortly, envisages some L100bn* of funding by a consortium of Italian banks led by Mediobanca, and a further funding of L100bn by the parent company, Montedison SpA.

The operation will enable Montefibre, which has been forced to write off its capital in the face of continuing losses, to reconstruct an equity base of L200bn.

Moreover, *Montedison* will set aside in a special reserve an additional L50bn to guarantee any eventual losses on the part of subscribers to the Montefibre funding operation. The reserve is essentially designed to persuade banks to subscribe readily their quota of the capital increase.

Tot his end, Mediobanca is *expected to start today consul*tations with leading Italian banks to persuade them to participate in the banking consortium.

The recovery programme is likely to include on the industrial side the gradual disengagement of the company from textiles and rationalisation in fibres. The plan also envisages the completion of the investment programme for Montefibre's main plant at Accera, near Naples. So far some L350bn has been spent on accera *and a further L81bn is* earmarked for investment.

Montedison SpA, the parent company,i s also contemplating a major capital increase this year. The effective size of the operation—which could be anything between L100bn and L300bn—hinges on the negotiations with a possible U.S. shareholder.

The eventual U.S. deal *would* clearly enhance Montedison's cvredibility, and also strengthen the position of private share*holders in the chemical con*glomerate, which has in the past been plagued by political interference and manipulations.

The entry of a *U.S.* partner at this stage would also be timely for the Montedison top management since it would coincide with the renewal of the entire Montedison board at an annual meeting in spring.

The three-year mandate of the current board members, including the chairman, Sig Giuseppe Medici, runs out this year. The renewal of the Montedison board has, in the recent past, been the object of fierce political manoeuvres and *in-fighting.*

While the existing Board could be re-elected in full, it is still not certain if Sig. Medici, the veteran Christian Democrat Senator appointed chairman in a political compromise following the controversial resignation of Sig. Eugenio Cefis in 1977, will be running again. However, it *is likely he will be at least asked* to stay on to avoid opening old wounds at a delicate stage in Montedison's recovery.

Last year Montedison group sales recovered, rising by 32 per cent to L8,000bn. Parent company's sales last year—largely in the chemical sector—increased by 37 per cent to L4,000bn. Of these, exports accounted for about L1,500bn of the total.

In view of increased sales, reduced debt interest charges and the sale of a number of assets raising substantial liquidity, Montedison expects to see a reduction in its losses for 1979.

The parent company's losses for last year are likely to be reduced to around L80bn from L256bn in 1978 and a record deficit of L509bn in 1977. However, the Italian chemical group is increasingly worried about soaring raw material prices.

Automobiles Talbot plans rights issue to raise $167m

BY TERRY DODSWORTH IN PARIS

AUTOMOBILES TALBOT, the former Chrysler France which is now part of the PSA Peugeot-Citroen group, is aiming to raise some FFr 675m ($167m) from its parent company by the end of next month.

The money is being injected into Talbot, which has run into a period of substantial losses, by way of a rights issue. This will raise Talbot's capital from FFr 469m to FFr 890m through a nine-for-ten issue at FFr 160.

At its recent annual meeting, Talbot raised the authorised limit on its capital to FFr 1.5bn, but the company says that it has no plans at present to go ahead with a further issue.

Talbot's move is part of a long-term development plan for the company, which is aimed at integrating its component manufacturing more directly within the PSA group and at developing its own product line.

The company has clearly been suffering this year in the *French market from its limited* range of cars, and from the marketing problems which have followed its change of name. *Thus despite the overall* increase in the French market, Talbot's sales have fallen, and it has recently been forced to announce substantial cut-backs in production in order to control stocks.

● The French state power utility, Electricité de France (EDF) incurred an operating loss of FFr 2.5bn ($625m) last year, *compared with a profit of* FFr 33m in 1978, AP-DJ reports from Paris.

After taking into consideration the measures—some of which were retroactive—recently announced by the government *to help EDF out of its* financial difficulties, the final shortfall at the end of 1979 is expected to be in the region *of FFr 1.5bn.*

Earlier this month, the government announced that it had decided to write off the FFr 11.7bn in debts owed by EDF to the state fund for economic and social development, and that EDF's capital would be increased by an equivalent amount.

The Economics Ministry said at the time that 1980 and 1981 would be particularly difficult years for the utility. It added that EDF will stay in the red *through 1981, but that financial* balance would be regained by 1982.

Italian banker's plea for European stock exchange

BY CHRISTINE MOIR

MEMBERS of the different stock exchanges in Europe should get together to discuss the *formation of a "truly* European Stock Exchange," Dr. Mario Diana, International Investment Manager of the Banca *Nazionale* del Lavoro, the Italian international bank, said in London yesterday.

As the EEC continues to develop there will be a vital role for a central market in providing finance for investment, he said. The financial communities should act now rather than have an unwieldy system imposed by bureaucrats or until the problems become too large to tackle, Dr. Diana said.

Three obstacles needed tackling at an early stage—the location and functioning of a European market place; the *abolition of exhange controls* within the Community to free the flow of investment finance; and a single currency.

Dr. Diana believes that a computerised market system, similar to Ariel, the small independent electronic market set up for institutional dealing in London, could get over the problems of parochial interests in the location of the floor and also provide a longer daily period for dealing as well as complete immediacy.

The abolition of exhange controls is vital to a healthy two-way market, Dr. Diana insists.

More eurobond services by dataSTREAM

By Nicholas Colchester

THE LONDON COMPANY, dataSTREAM, which provides computer-based services to the investment business, has developed a "valuation service" for the Eurobond market. It claims that this service is the first to be available for eurobond portfolios.

The service is an extension of *the research service which* dataSTREAM already provides in this market, and it matches dataSTREAM's existing involvement in the business of providing valuation of domestic security portfolios. The company already stores information on security portfolios worth about £10bn.

The valuation service will allow eurbond investors to store the details of their bond portfolios, or those of their clients, in the dataSTREAM computer. *DataSTREAM* collects prices for about 1,700 international bonds every day and will use these to provide investment managers or bond market participants with a constantly updated range of information about their portfolios including analysis by currency, country, and type of instrument.

DataSTREAM is owned by *BOC International and a con*sortium of financial institutions.

Swiss banks cut back promotion

BY BRIJ KHINDARIA IN GENEVA

MOST SWISS banks have signed a new convention circulated by the Swiss Bankers' Association banning the promotion of numbered accounts and aggressive publicity which compares one bank's services with those of another.

Publicity campaigns may now *last no more than four months* in any year and advertising on radio and television is banned in Switzerland as well as abroad. *Promotion* through mobile banks travelling from town to town is also banned.

Publicity through the Press will be limited to specialised publications concerned with the banking system and advertisement space other than that provided free of charge cannot be taken in address registers, and telephone and telex directories.

The reason for the new convention is the uncertainty resulting from "new publicity *methods*" which have converted banks advertising into a war rather than honest competition. an official from a large Geneva bank *said.*

* * *

MODEST INCREASES in profit are reported by two Swiss banks. Bank Julius Baer has produced a 6 per cent rise in net profits for 1979, while Banca del Gottardo is 3 per cent ahead.

Julius Baer's earnings reached SwFr 10.4m ($6.54m) last year compared with SwFr 9.8m. Balance-sheet total rose from SwFr 713m to SwFr 746m ($469.2m) with the total for the parent bank plus foreign participations of Baer Holding AG *increasing from* SwFr 1.2bn to SwFr 1.3bn.

At Banca del Gottardo earnings improved to SwFr *20.75m ($13.17m). Balance*-sheet total expanded by 13 per cent to SwFr 2.42bn. "Satisfactory" results are also reported for the offshore operators Gotthard Bank International (Nassau) which company's balance-sheet total rose by 18 per cent to $208m and profits by 15 per cent to $5.2m.

Banca del Gottardo plans an unchanged 10 per cent dividend for 1979.

Tandberg expects return to profits this year

BY FAY GJESTER IN OSLO

TANDBERG A/S, the Norwegian electronics company, created after the bankruptcy of the old Tandberg, continued in deficit during the second half of 1979, but expects *to show a profit* in 1980, according to Board chairman Ibb Heivold.

After its restructuring, early last year, the *former state*-owned company was acquired by Norsk Data, a rapidly growing Norwegian computer manufacturer. The deficit for July-December amounted to about NKr 1.1m ($224,490), on turnover of NKr 57.6m ($11.75m). The estimated deficit for the year is between NKr 9m and NKr 10m.

Tandberg now makes high fidelity audio products and specialist educational aids, and most of its former foreign subsidiaries have been reduced to agency arrangement. Exceptions are subsidiaries in its four main export markets—Britain, Sweden, West Germany and the U.S., where the surviving subsidiaries have been bought by the new Norsk Data *owned Tandberg.*

Norsk Data itself turned in a 1979 profit of NKr 15m on turnover of about NKr 210m according to preliminary figures. This is 40 per cent and 30 per cent higher, respectively, than in 1978. The profit ratio, 7 per cent of turnover, is the best yet achieved by the company.

Exports also rose sharply, and now account for about 50 per cent of production.

Dutch government bond issue

BY OUR FINANCIAL STAFF

THE DUTCH government is to offer bonds for tender from next week. The 15 year bonds will carry a coupon of 9½ per cent and go on sale on January 22.

The State raised Fl 550m ($289m) in this form last November when a ten year issue of bonds on a coupon of 9½ per cent was allotted a minimum tender price of par.

In Brussels the underwriting consortium for the next Belgian state bond have proposed a price of 99½. The 9 year bonds on a coupon of 11 per cent go on offer from January 24.

Dutch textile groups to close subsidiary

BY CHARLES BATCHELOR IN AMSTERDAM

THREE DUTCH textile groups have decided to shut down a jointly-owned subsidiary, set up only two years ago, because losses have reached unacceptable levels. The subsidiary, TSB Finishing and Printing, which has a workforce of nearly 340, is to apply for bankruptcy immediately.

The company, which is based in Goor in the eastern Netherlands, expects to make a loss of Fl 5m ($2.6m) this year. A partial closure of the unprofitable activities would be no solu*tion to its problems,* the company said.

TSB is jointly owned by Nijverdal-Ten Cate, the largest company in the Dutch cotton rayon and linen sector, Blijdenstein-Willink and Nederlandse Bontweverij. It was set up in 1978 as part of a restructuring of the cotton textile industry.

The decision to apply for bankruptcy was taken after a meeting of the cotton industry's policy commission, on which the *Government,* employers and unions are represented.

VONTOBEL EUROBOND INDICES
14.5.76 = 100%

PRICE INDEX	8.1.80	15.1.80	AVERAGE YIELD	8.1.80	16.1.80
DM Bonds	97.74	97.40	DM Bonds	7.778	7.868
HFL Bonds & Notes	94.01	93.95	HFL Bonds & Notes	9.526	9.534
U.S. $ Strt. Bonds	88.12	88.63	U.S. $ Strt. Bonds	11.191	11.151
Can. Dollar Bonds	89.09	88.96	Can. Dollar Bonds	11.949	11.981

Record profits at Matsushita

BY YOKO SHIBATA IN TOKYO

MATSUSHITA Electric Industrial Company has announced record non-consolidated earnings and sales for the fiscal year ended November 20, 1979.

Over the past year, the company's operating profits rose by 13 per cent to Y116.66bn and net profits went up by 15.3 per cent to Y65.52bn ($274m). Sales were Y1,734bn ($7.24bn), up 8.5 per cent over the previous fiscal year. Per share profits were Y55.13, compared with Y52.95 a year earlier.

Matsushita's domestic sales went up by 12 per cent to Y1,424bn, thanks to strong replacement demand for colour TV sets, microwave ovens and refrigerators, as well as new demand for video tape recorders. Exports, however, fell back by 6 per cent, owing to the complete suspension of exports of colour TV sets to the U.S. and a shift in production for the U.S. market to the company's U.S. subsidiary. Video tape recorders showed buoyant sales, with a 27 per cent overall rise (35 per cent up in domestic markets and 23 per cent up in the export market). In particular, new models with six hour recording fared well.

Strong sales of video tape recorders with high added value and an improvement in export profitability resulting from the depreciation of the Yen in the second half of the year accounted for double-digit growth in earnings.

Due to the expansion in operating funds following a Y50bn public issue of unsecured bonds last April, Matsushita achieved a surplus of its financial balance—non operating income increased by Y9bn over the previous year. The owned capital ratio was 48.3 per cent, the same as in the previous year.

For the current half-year ending on May 20, 1980, the company foresees negative factors such as sluggish sales of heaters because of the warm winter and a fall in exports due mainly to the recession in the U.S. However, these negative factors can be overcome by the continuing strong replacement demand for colour TVs, refrigerators and washing machines. In particular, Matsushita expects buoyant sales of home video tape recorders thanks to a pick-up in demand in the Middle East, as well as existing U.S. and European markets.

On the grounds of strong demand for video tape recorders, the company plans to double its capital investment to Y50bn, directing this towards an expansion in production capacity of video tape recorders by 50 per cent to 90,000 sets monthly.

Sales for the current fiscal half-year are expected to be about Y900bn, up 11 per cent, with operating profits of Y62bn, up 13.8 per cent.

Sales for the full fiscal year ending on November 20, 1980, are expected to be Y1,900bn, up 9.5 per cent, with operating profits of Y130bn, up 11.4 per cent over fiscal 1979.

Korea likely to resume borrowing abroad soon

HONG KONG — South Korea is expected to resume state borrowing on international financial markets soon after Saturday's 16.55 per cent devaluation of the Korean won, bankers said here.

They said they expected the country's commercial borrowing programme to resume now that uncertainty has cleared surrounding the expected devaluation, which set the won at 580 to the U.S. dollar from 484.

The bankers said that state borrowing abroad had been deferred since the assassination of President Park Chung-Hee in October, although some private loans in the $20m to $30m range had been raised since.

They said that despite general confidence in Korea as a borrower in the long-term, most international banks are reluctant to resume immediately arranging credits for the country.

This is due not to uncertainty over the country's political and economic situations and to the trend of the global credit market.

The bankers said that there is now a marked preference for shorter tenures and expectations of higher spreads so that banks are adopting a wait-and-see attitude before committing themselves to raising new money for Korea.

But they said that banks are expecting a large Korean loan, probably through the Korean Development Bank, to cover balance of payments needs and will take their cue from the terms agreed.

However they said that most banks will not probably seek tenures of around eight years, as there is now a marked reluctance among international banks in the Asian and Pacific regions to offer 10-year repayment terms.

The bankers said that they expected increased spreads for Korea although they did not discount some loans would continue at the old rates. Tenures were expected to fall before spreads increased.

Bankers expected most state loans to be general purpose and not tied to any specific projects, with private loans likely to concentrate almost exclusively on export-orientated companies after the devaluation.

While the consequences of the devaluation were important considerations, most banks tended to be more concerned with the political situation in Korea.

Reuter

Nomura sets limit on mutual fund

TOKYO — Nomura Securities Company has announced that its open-ended mutual fund, based mainly on medium-term National bonds, has a total limit of Y80bn ($340m), although its initial target will be Y10bn.

The Finance Ministry has approved Nomura's plan to raise the target gradually to Y80bn. Subscriptions to the fund, the first of its kind in Japan, have been available since January 10.

Some 60 per cent of the subscriptions will be invested in medium-term National bonds, including three-year and four-year bonds, because the fund has been specially approved as a vehicle to facilitate the flotation of medium-term bonds, Nomura said.

The remaining 40 per cent will be split equally between investments in other types of public bonds and call money.

Three other leading Japanese securities companies, Nikko, Daiwa and Yamaichi, are expected to start similar funds soon, according to Nomura.

The Nomura mutual fund, subscriptions in which may be resold to Nomura after a one-month lag, will probably yield 5.5 per cent to 6 per cent.

Bank deposits at call, withdrawable at seven day's notice carry interest at 1.25 per cent.

Reuter.

JOHANNESBURG STOCK EXCHANGE

Cloud over the gold boom

BY JIM JONES IN JOHANNESBURG

The South African stock market boom of 1979 came as the price of gold rose by well over 100 per cent to around $550 an ounce. The further increase in gold, to levels over $700 lends a bullish note to the Johannesburg Stock Exchange outlook in 1980. But political considerations may work against this

AMONG the world's stock exchanges, 1979 was Johannesburg's year. From a base of $227 an ounce at the beginning of last year, the all important gold price had more than doubled, to $550 as the world entered the 1980s.

If bullish analysts are correct, 1980 could see a continuation of 1979's rise. The signs are there. In the first few weeks of January, gold has pushed its record levels higher and higher, spurred by a wave of buying as a hedge against the deteriorating political situations in the Middle East and Afghanistan. Some analysts are confident that gold will reach $1,000 some time this year, and if that happens, it is argued, the Johannesburg Stock Exchange could be set for a boom, as national gold revenue floods over into the rest of the economy.

Gold apart, however, almost every economic indicator is pointing upwards. South Africa learned its lesson in the mid-seventies, when Government spending plans based on misplaced gold price expectations resulted in a deteriorating balance of payments, inflation and clamps on domestic liquidity.

Mr. Owen Horwood, the Finance Minister, has said that a repeat of this mistake will not be permitted. The Government would stick to the conservative fiscal policies necessary if the next round of economic growth was to be soundly based. But even if gold falls back, the coming fiscal year should result in gold mine tax payments to the Exchequer in the region of R5bn ($6bn), allowing a stimulatory package of tax cuts with the end-March budget.

As far as the economy is concerned, confidence is well founded. Gold's advance in line with higher crude oil prices has largely insulated South Africa from the oil crisis and the country's strength in this respect will be enhanced further over the next couple of years

Furthermore, the threat of balance of payments constraints appears remote. January's authoritative Standard Bank Review (SBR) estimates that 1979 ended with a payments surplus of over R3bn—more than twice the *1978* record of R1.45bn.

In 1979, many industrialists preferred to limit capital spending on new productive assets until the expected consumer spending boom was firmly underway and until previously under-utilised manufacturing capacity was fully employed.

That situation is upon us according to the Standard Bank Review. It points out that with easily available hire purchase credit resulting from high internal liquidity, 1979 saw a sharp acceleration in sales of major items such as cars, furniture and electrical appliances. And, according to diverse indicators such as general sales tax collections, consumer spending gathered momentum in the final quarter of the year.

Over the past two years, the bulk of growth in manufacturing production has not been accompanied by significant rises in employment, and, according to the SBR, it has been accompanied by a general decline in inventories.

Rebuilding inventories is now a pressing factor and, says the SBR, it is at this point that employment and earnings start increasing significantly and the boom begins.

Just how this will spill over into the stock market remains to be seen. At the start of 1979, the Rand Daily Mail 100 industrial index stood at 270.5. It is currently in the 470 range, helped by a steady advance in corporate earnings and dividends and low short-term interest rates.

However, increasing demand for debt financing has been accentuated by widespread switching of trade financing from foreign to domestic sources, and while this continues and the debt demand rises to finance higher inventories and capital spending short-term interest rates are likely to turn upwards in coming months.

Because of this, important institutional investors such as the insurance giants, the Old Mutual, and Sanlam have effectively been out of the equities market for around a year. They view the rise in interest rates as having an ultimately depressing effect on equity prices.

As for mining shares, a rising gold price should, under normal circumstances, have led to a more than proportional advance in share prices. In fact, with gold at $227, the RDM Gold Index started 1979 at 270.5. Now with gold having moved above $700, the RDM Gold Index has risen above 550.

In part the index' relatively poor performance reflects investor caution that the gold bubble could burst at short notice. But it may also reflect increasing political uncertainties. Current investor euphoria has tended to overshadow political considerations. But if present trends continue, political factors could outweigh economic factors in the stock market this year.

Black workers who see themselves as increasingly alienated from the country's economic advance are growing increasingly aware of their economic power.

Social disturbances occur unpredictably, but if they are on the cards, investors will pay the closer attention to political matters in running their South African equity portfolios. The question in 1980 is whether those considerations will be outweighed by economic developments.

Companies and Markets

CURRENCIES, MONEY AND GOLD

Dollar easier

THE DOLLAR finished at its weakest level for the day in currency markets yesterday, while sterling fell back as UK short term interest rates eased back from the high levels seen recently. Trading during the morning was fairly quiet and uneventful, and the dollar was slightly stronger in places. However later in the day the U.S. unit came on offer with the entry of New York into the market, and in the absence of any central bank intervention, it fell to DM 1.7215 from DM 1.7275, having stood at DM 1.7350 at one point. Similarly against the Swiss franc it finished weaker at SwFr 1.5850 from SwFr 1.5985, after a high of SwFr 1.6025.

The yen finished in the middle of the day's range, having been affected to some degree by the possibility of Iran cutting oil supplies. The dollar closed at Y238.25 compared with Y239.50 on Tuesday. On Bank of England figures, the dollar's trade weighted index fell to 84.6 from 84.9.

Sterling lost ground against most currencies, and this was reflected in its trade weighted index, which fell to 71.7 from 72.0, having stood at 72.0 at noon and 72.1 in the morning. After opening at $2.2790-2.2800, the pound rose to a high of $2.2850-2.2860. However it eased back gently during the afternoon to finish at $2.2675-2.2685, a loss of 95 points from Tuesday's close.

D-MARK — Very strong, and showing a tendency to rise within the European Monetary System recently—The dollar rose at the fixing to DM 1.7306 from DM 1.7190 on Tuesday and touched a peak during the morning of DM 1.7340. There were no new factors in the market and dealers doubted whether the Bundesbank intervened at all.

FRENCH FRANC — Strongest member of the EMS since late December—The franc improved against most of its EMS partners at the fixing, with the D-mark easing to FFr 2.3433 from FFr 2.3440 and the Belgian franc weaker at FFr 14.4330 from FFr 14.4340 per BFr 100. The one exception appeared to be the Italian lira, which rose to FFr 5.0265 from FFr 5.0190 per L1,000. Outside the EMS the dollar rose quite sharply to FFr 4.0555 from FFr 4.0307½, while sterling eased slightly to FFr 9.2315 from FFr 9.2355.

ITALIAN LIRA — Weaker during last two months after trading at top of EMS throughout last summer—The lira gained ground against most currencies with the aid of central bank intervention. The latter helped to offset November's large trade deficit, while recent reports denying any possibility of a devaluation helped to underpin the Italian unit. Official sources suggested that the lira was unlikely to weaken over the next few months, and for the time being was taking strength from very firm domestic interest rates.

DANISH KRONE — Basically weak, suffering two devaluations since EMS began last March—The krone rose against its EMS partners apart from the French franc and the Italian lira. Elsewhere sterling and the U.S. dollar both showed a fairly sharp improvement.

BELGIAN FRANC—Generally weakest member of EMS, but resists devaluation — The franc recorded mixed changes against other EMS currencies, with the D-mark, guilder and Danish krone all losing ground, while the French franc and Italian lira improved. Both sterling and the U.S. dollar were firmer at the fixing.

DUTCH GUILDER—Firmer in recent weeks, near top of EMS—The guilder was largely unchanged on balance against EMS currencies, while the dollar improved to Fl 1.9110

JAPANESE YEN — Energy problems reflected in sharp decline last year, but slightly firmer recently — The yen improved slightly against the dollar with the latter closing at Y238.80.

THE POUND SPOT AND FORWARD

Jan. 16	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2665-2.2880	2.2675-2.2685	0.85-0.75c pm	4.23	1.47-1.37 pm	2.50
Canada	2.6355-2.6620	2.6365-2.6375	0.95-0.85c pm	4.09	2.00-1.90 pm	2.96
Nethlnd.	4.30-4.37	4.30¾-4.31¾	2⅜-1⅝c pm	6.27	6⅜-5⅞ pm	5.34
Belgium	63.30-64.30	63.40-63.50	20-10c pm	2.84	40-30 pm	2.21
Denmark	12.24-12.36	12.24½-12.25½	3-1ore pm	1.96	par-2 dis	−0.33
Ireland	1.0565-1.0695	1.0570-1.0580	0.07-0.17p dis	−1.36	0.20-0.30dis	−0.94
W. Ger.	3.90-3.95	3.90¾-3.91¾	3⅜-2⅞pf pm	9.60	8⅜-7⅜ pm	8.32
Portugal	113.00-113.90	113.00-113.20	10c pm-40 dis	−1.59	30-130 dis	−2.83
Spain	149.70-151.00	149.75-149.85	par-50c dis	−2.00	40-140 dis	−2.40
Italy	1,824-1,844	1,824¾-1,825¾	-6¾ lire dis	−3.45	16½-18½ dis	−3.83
Norway	11.12½-11.26½	11.12¾-11.13¾	7⅞-5⅞ore pm	6.74	15¾-13¾ pm	5.12
France	9.13½-9.26½	9.13½-9.14½	4¼-3¼c pm	4.92	8-7 pm	3.28
Sweden	9.40½-9.45	9.40½-9.41½	5-3ore pm	5.10	9¾-7¾ pm	3.72
Japan	539-548	539¾-540¾	5.20-4.85y pm	11.18	11.60-11.25pm	8.46
Austria	28.10-28.40	28.10-28.15	25-15gro pm	8.54	58-48 pm	7.54
Switz.	3.58½-3.65½	3.59-3.60	4¼-3¼c pm	12.52	10¼-9¼ pm	10.99

Belgian rate is for convertible francs. Financial franc 65.45-65.55. Six-month forward dollar 2.00-1.95c pm, 12-month 3.70-3.60c pm.

THE DOLLAR SPOT AND FORWARD

Jan. 16	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2665-2.2880	2.2675-2.2685	0.85-0.75c pm	4.23	1.47-1.37 pm	2.50
Ireland†	2.1330-2.1345	2.1330-2.1340	0.90-0.85c pm	4.92	1.85-1.75 pm	3.37
Canada	1.1641-1.1657	1.1654-1.1657	0.07-0.04c pm	0.57	0.14-0.11 pm	0.43
Nethlnd.	1.8985-1.9090	1.9075-1.9090	0.34-0.29c pm	1.98	1.35-1.25 pm	2.72
Belgium	27.97-28.13	27.97-27.99	½-2c dis	−0.52	par-2 dis	−0.14
Denmark	5.3975-5.4070	5.3975-5.4000	0.40-0.90ore dis	−1.44	3.25-3.75dis	−2.59
W. Ger.	1.7200-1.7350	1.7210-1.7220	0.83-0.73pf pm	5.44	2.52-2.42 pm	5.74
Portugal	49.75-49.95	49.75-49.85	15-25c dis	−4.82	45-75 dis	−4.82
Spain	66.04-66.07	66.04-66.07	25-35c dis	−5.45	65-85 dis	−4.54
Italy	806.00-806.80	806.00-806.40	5-6 lire dis	−8.19	13½-15 dis	−7.07
Norway	4.9040-4.9290	4.9040-4.9050	1.60-1.10ore pm	3.30	3.75-3.25 pm	2.85
France	4.0340-4.0600	4.0340-4.0380	0.40-0.30c pm	1.04	0.97-0.85 pm	0.90
Sweden	4.1465-4.1535	4.1525-4.1535	0.75-0.55ore pm	1.88	1.60-1.40 pm	1.44
Japan	237.40-239.50	238.20-238.30	1.45-1.30y pm	6.92	3.65-3.50 pm	6.00
Austria	12.39½-12.43¾	12.39½-12.40½	5.20-3.70gro pm	4.31	16.75-13.75pm	4.92
Switz.	1.5815-1.6025	1.5845-1.5855	1.23-1.16c pm	9.05	3.50-3.43 pm	8.74

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

Jan. 16	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.578048	0.632168
U.S. $	12	1.32269	1.44893
Canadian $	14	1.54173	1.68800
Austria Sch.	3¾	16.3273	17.8798
Belgian F.	10½	36.9427	40.4668
Danish K.	11	7.10285	7.78220
D Mark	6	2.27570	2.49071
Guilder	9½	2.51047	2.74972
French Fr.	9½	5.33145	5.84138
Lira	15	1062.45	1163.85
Yen	6¼	Unavail.	342.382
Norwgn. Kr.	9	6.48449	7.10555
Spanish Pts.	8	87.3319	95.7018
Swedish Kr.	9	5.46576	5.98918
Swiss Fr.	2	2.09183	2.29438

CURRENCY MOVEMENTS

Jan. 16	Bank of England Index	Morgan Guaranty changes %
Sterling	71.7	−34.7
U.S. dollar	84.6	−8.5
Canadian dollar	80.9	−16.9
Austrian schilling	157.6	+23.5
Belgian franc	115.8	+13.7
Danish kroner	109.0	−3.1
Deutsche mark	158.5	+46.6
Swiss franc	203.9	+82.9
Guilder	126.4	+20.7
French franc	102.6	−5.4
Lira	54.9	−49.9
Yen	118.5	+17.3

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England index=100).

OTHER MARKETS

Jan. 16	£	$		£ Note Rates
Argentina Peso	3721-3741	1640-1650	Austria	28.20-28.45
Australia Dollar	2.0385-2.0405	0.8990-0.8995	Belgium	65.75-66.25
Brazil Cruzeiro	99.23-100.23	43.75-44.20	Denmark	12.28-12.34
Finland Markka	8.41-8.42	3.6925-3.6945	France	9.21-9.28
Greek Drachma	86.630-88.684	38.15-38.30	Germany	3.93½-3.96
Hong Kong Dollar	11.06-11.08	4.8560-4.8610	Italy	1835-1955
Iran Rial	n/a	n/a	Japan	544-549
Kuwait Dinar (KD)	0.615-0.625	0.2716-0.2717	Netherlands	4.34-4.36½
Luxembourg Frc.	63.40-63.50	27.97-27.99	Norway	11.21-11.28
Malaysia Dollar	4.9450-4.9565	2.1825-2.1855	Portugal	115-125
New Zealand Dlr.	2.2960-2.2970	1.0115-1.0130	Spain	150-158
Saudi Arab. Riyal	7.61-7.71	3.3597-3.3602	Sweden	9.45-9.51
Singapore Dollar	4.8970-4.9085	2.1560-2.1570	Switzerland	3.62½-3.65
Sth. African Rand	1.8575-1.8690	0.8190-0.8195	United States	2.274-2.282
U. A. E. Dirham	8.47-8.57	3.7330-3.7400	Yugoslavia	49.51

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU January 16	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.4616	+1.69	+1.41	±1.53
Danish Krone	7.72336	7.78985	+0.86	+0.58	±1.64
German D-Mark	2.48208	2.49172	+0.39	+0.11	±1.126
French Franc	5.84700	5.83897	−0.14	−0.42	±1.3557
Dutch Guilder	2.74362	2.75025	+0.24	−0.04	±1.512
Irish Punt	0.668201	0.674929	+1.01	+0.73	±1.668
Italian Lira	1157.79	1161.96	+0.36	+0.35	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Jan. 16	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.268	3.908	540.5	9.143	3.595	4.308	182.5	2.637	63.45
U.S. Dollar	0.441	1.	1.723	238.2	4.031	1.585	1.899	804.8	1.163	27.98
Deutschemark	0.256	0.580	1.	138.3	2.340	0.920	1.102	467.1	0.675	16.24
Japanese Yen 1,000	1.851	4.198	7.233	1000.	16.92	6.654	7.973	3379.	4.881	117.4
French Franc 10	1.094	2.481	4.274	590.9	10.	3.932	4.712	1996.	2.884	69.40
Swiss Franc	0.278	0.631	1.087	150.3	2.543	1.	1.198	507.7	0.734	17.65
Dutch Guilder	0.232	0.527	0.907	125.4	2.122	0.835	1.	423.7	0.612	14.73
Italian Lira 1,000	0.548	1.243	2.141	296.0	5.009	1.970	2.360	1000.	1.445	34.76
Canadian Dollar	0.379	0.860	1.482	204.9	3.467	1.363	1.633	692.2	1.	24.06
Belgian Franc 100	1.576	3.574	6.158	851.5	14.41	5.666	6.789	2877.	4.156	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 13.90-14.00 per cent; three months 13.90-14.00 per cent; six months 13.90-14.00 per cent; one year 12.85-12.95 per cent.

Jan. 16	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	22-22¼	13½-13¾	12½-13½	11¼-11½	⅝-⅞	8 1/16-8 3/16	11⅞-12⅛	40-50	—	4¾-6⅞
7 days' notice	16⅞-17⅛	13⅝-13⅞	12½-13½	11-11¼	1½-1¾	8 1/16-8 3/16	11⅞-12⅛	21-23¾	13 13/16-13 15/16	5½-5⅞
Month	16⅞-17⅛	13 13/16-13 15/16	13½-13⅞	11¼-11½	4⅝-4¾	8 5/16-8 7/16	12⅛-12⅝	19¾-21¾	13 11/16-13 13/16	6¼-6⅞
three months	16½-16¾	14 1/16-14 3/16	13⅝-13⅞	11⅛-11⅜	5 5/16-5 7/16	8⅜-8 7/16	13-13¼	19¾-21	14⅛-14¼	7 11/16-8⅛
six months	16⅛-16⅜	14-14¼	13⅝-13⅞	11⅛-11⅜	5½-5⅝	8⅜-8½	13⅜-13⅝	19¼-20¼	14 1/16-14 3/16	7 11/16-8 3/16
one year	15⅛-15⅜	12⅞-13⅛	12 11/16-12 15/16	10¾-11	5 7/16-5 9/16	8 5/16-8 7/16	13⅜-13⅝	19-20	12 13/16-13 1/16	7⅝-8 1/16

Long-term Eurodollar two years 12-12¼ per cent; three years 11⅞-12⅛ per cent; four years 11¾-12 per cent; five years 11⅝-11⅞ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

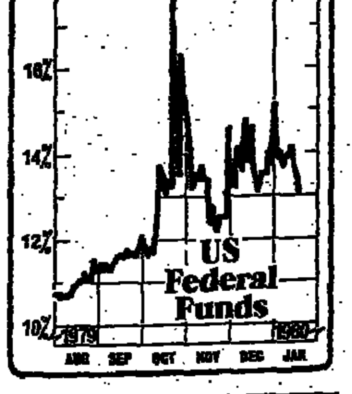
Dutch rates ease

Dutch short-term interest rates fell yesterday, on indications of an easing of the tight conditions seen in the money market during recent weeks. The authorities reduced the amount of special advances once again, to Fl 1.186bn at 11½ per cent, but this will run for only six days until January 23. The scale of special advances was larger than expected and, coupled with a decline in the interest rate charged, has led to a general improvement in market conditions. To help market liquidity the Dutch central bank made Fl 2.8bn available at 15 per cent on December 17 to cover the Christmas and year-end period, followed by Fl 1.63bn at 12 per cent, which ran for 11 days from January 4.

The latest special advance, together with a currency swap of around Fl 400m, has led to expectations of a stabilisation in interest rates during the next few weeks, while the improvement in the seasonal shortage of funds may lead to a slight decline.

Next Tuesday a tender will be held for a 15-year Government bond issue at 9½ per cent, which together with the latest Treasury bill tender—raising Fl 803.7m for the 9 per cent five-year bills—should help to ease problems of Government disbursements to be paid at the end of the month.

In Paris term rates were generally easier, but call money rose to 12¾ per cent from 12½ per cent.



GOLD

Record rise

Gold staged its biggest one day rise in the London bullion market yesterday, rising $67½ an ounce to $750-760 at the close. Demand for the metal was very heavy, with conditions described as hectic at times. The metal opened at $730-740 and touched an all-time high at the morning fixing of $765.00. From this point on the metal tended to ease back a little, and early trading in New York showed a spot equivalent of $745-750.

In Paris the 12½ kilo bar was fixed at FFr 93,000 per kilo ($713.25 per ounce) compared with FFr 90,000 ($690.32) in the morning and FFr 87,200 ($672.87) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 42,545 per kilo ($765.0 per ounce) against DM 37,540 ($682.0) previously.

	January 16		January 15	
Gold Bullion (fine ounce)				
Close	$750-760	(£329-334)	$685-690	(£301-303)
Opening	$730-740	(£319-324)	$662-667	(£290-292)
Morning fixing	$765	(£335.674)	$682	(£297.882)
Afternoon fixing	$760	(£333.480)	$684	(£299.213)
Gold Coins				
Krugerrand	$757-767	(£332-337)	$704-709	(£308-311)
Mapleleaf	$760-770	(£334-340)	$700-710	(£307-312)
New Sovereigns	$190-194	(£83½-85)	$177½-179½	(£77-79)
King Sovs.	$205-210	(£90-95)	$195-198	(£85-87)
Victoria Sovs.	$205-210	(£90-95)	$195-198	(£85-87)
Fr 20 Napoleon	FFr795-810	(£Fr290-310)	FFr745-760	(£Fr265-275)
50 pesos Mexico	$944-954		$855-865	
100 Cor. Austria	$737-747		$650-670	
$20 Eagles	$780-800		$740-760	
$10 Eagles	—		—	
$5 Eagles	—		—	

UK MONEY MARKET

Volatile trading

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

Monthly make-up day for London banks led to a sharp variation in day-to-day money rates in the money market yesterday. Interbank overnight money fell below call money with the discount houses at times, reflecting the reserve asset status of funds with the houses, but towards the close banks seemed anxious to increase their reserve asset position, and some houses found money available at 10 per cent, although others paid up to 18¼ per cent. In the interbank market overnight funds rose to 35 per cent in the morning, but fell sharply to 2 per cent in places during the afternoon, before closing at around 15 per cent.

Money was generally in short supply, and the authorities gave moderate assistance by buying a small amount of Treasury bills from the discount houses, some for resale at a fixed future date, and a small number of local authority bills, all for resale at the same date. The Bank of England also lent a small amount overnight to four or five houses, at Minimum Lending Rate.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Jan 16 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ‡	Eligible Bank Bills ‡	Fine Trade Bills ‡
Overnight	—	2-35	—	—	—	17⅝	10-17	—	—	—
2 days notice	—	—	17½-18¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	17½-19	17½-18¾	—	17⅞	17⅞	16⅞	—	—	—
One month	16 13/16-16 15/16	17⅛-17½	17⅛-17½	18¼-17⅞	17⅞	17¾-17⅞	16½-16⅝	15 11/16-15 23/32	17¼	17½
Two months	16 13/16-16 15/16	17-17⅛	—	17⅝-17⅛	17⅝	—	16⅜-16¼	15¾	16⅞	17¼
Three months	16 11/16-16 13/16	16¾-17	16 13/16-17⅛	17⅛-17	17⅝	17⅛-17⅝	16¼-16⅜	15¾	16 5/16	17
Six months	15 13/16-15 15/16	15 15/16-15	16	16¾-16¼	16½	—	—	—	16	15⅞
Nine months	14 13/16-14 15/16	14⅞-15¼	—	15⅝-15⅛	15¾	—	—	—	—	—
One year	14⅛-14½	14⅝-14⅞	15¼-15½	15-14¾	15½	—	—	—	—	—
Two years	—	—	15⅜-15½	—	—	—	—	—	—	—

Local authorities and financial houses seven days' notice others seven days fixed. *Long-term local authority mortgage rates nominally three year 15¾-16½ per cent; four years 15-15¾ per cent; five years 14⅞-15⅛ per cent. ‡ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month banks bills 16 per cent; four-month trade bills 16½ per cent.

Approximate selling rates for one-month Treasury bills 15 23/32 per cent; two-month 15⅝ per cent; three-month 15⅝ per cent. Approximate rates for one-month bills 16⅞ per cent; two-month 16 23/32 per cent; three-month 16 5/16 per cent; one-month trade bills 17¼ per cent; two-month 17 per cent and three-month 15¾ per cent.

Finance Houses Base Rates (published for the Finance Houses Association) 17 per cent from January 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 15.8406 per cent.

MONEY RATES

NEW YORK

Prime Rate	15-15¼
Fed. Funds	13
Treasury Bills (13-week)	11.83
Treasury Bills (26-week)	11.65

GERMANY

Discount Rate	6
Overnight Rate	8.60
One month	8.85
Three months	8.90
Six months	8.675

FRANCE

Discount Rate	9.5
Overnight Rate	12.25
One month	12.1875
Three months	12.4375
Six months	12.4375

JAPAN

Discount Rate	6.25
Call (Unconditional)	8
Bills Discount (three-month)	8.5

EUROPEAN OPTIONS EXCHANGE

Series		Jan. Vol.	Jan. Last	April Vol.	April Last	July Vol.	July Last	Stock
ABN C	F.320	—	—	21	4	—	—	F.299.50
ABN C	F.330	—	—	—	—	5	3	"
AKZ C	F.25	—	—	10	0.90	17	1.40	F.23.40
AKZ C	F.30	—	—	—	—	35	0.40	"
AKZ P	F.25	30	1.50	—	—	—	—	"
AKZ P	F.27.50	20	3.50	—	—	—	—	"
ARB C	F.55	—	—	11	1.50	—	—	F.53.50
CSF C	F.440	6	94	—	—	—	—	F.550
CSF C	F.480	2	51	—	—	—	—	"
FNC C	$25	—	—	—	—	2	1⅝	$23⅝
HO C	F.22.50	15	1	—	—	—	—	F.23
IBM C	$60	—	—	—	—	8	12¾	$70½
IBM C	$65	17	5	15	7½	—	—	"
IBM C	$70	143	1⅛	28	4¾	—	—	"
IBM C	$75	120	1/16	9	2⅝	—	—	"
KLM C	F.70	18	0.80	19	4.50	10	6.50	F.69.50
KLM C	F.80	—	—	28	1.40	22	3.20	"
KLM C	F.90	—	—	1	0.50	7	1.10	"
KLM C	F.100	—	—	5	0.10	—	—	"
KLM P	F.70	148	0.90	1	4.10	25	5.40	"
KLM P	F.80	10	9.20	69	11	30	12.10	"
KLM P	F.90	—	—	2	20	—	—	"
NN C	F.115	13	4.40	—	—	—	—	F.119.70
NN C	F.120	37	0.30	—	—	—	—	"
NN C	F.125	—	—	15	2	—	—	"
PET C	Fr.5500	6	1.60	2	530	—	—	Fr.5710
PET C	Fr.6000	1	2	4	200	2	320	"
PHI C	F.20	17	0.50	43	1.40	83	1.80	F.20.20
PHI C	F.22.50	—	—	40	0.30	52	0.70	"
PHI C	F.25	—	—	7	0.20	—	—	"
PHI P	F.20	20	0.20	30	0.70	—	—	"
PHI P	F.22.50	7	2	33	2.20	—	—	"
PHI P	F.25	—	—	70	4.70	9	4.70	"
PRD C	$25	6	⅛	—	—	10	3⅝	$24⅜
PRD C	$30	—	—	7	1⅜	2	2¾	"
PSA C	F.300	—	—	—	—	2	10	F.262.50
RD C	F.140	45	6	10	10	—	—	F.145.80
RD C	F.145	83	1.20	20	8.70	3	7.70	"
RD C	F.150	—	—	136	4.10	33	5.50	"
RD C	F.160	—	—	171	1.30	128	2.30	"
RD P	F.140	—	—	76	1.70	—	—	"
RD P	F.145	109	0.30	15	3.50	—	—	"
RD P	F.150	65	4	2	5.90	—	—	"
RD P	F.160	—	—	1	14.20	—	—	"
UNI C	F.115	3	2.30	—	—	—	—	F.117
UNI C	F.120	—	—	50	4	—	—	"
UNI C	F.130	—	—	8	0.70	—	—	"
XON C	$50	2	6	—	—	—	—	$54½
XON C	$55	—	—	11	2⅞	4	4⅛	"
		Feb.		**May**		**Aug.**		
BA C	$40	1	21¼	—	—	—	—	$61⅜
BA C	$50	10	10½	—	—	—	—	"
BA C	$60	—	—	8	6⅝	2	8¼	"
OXY C	$25	—	—	5	3½	—	—	$25⅛
SLB C	$100	—	—	—	—	1	8½	$96¾

TOTAL VOLUME IN CONTRACTS 2413

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	17 %
Allied Irish Bank	17 %
Amro Bank	17 %
American Express Bk.	17 %
Henry Ansbacher	17 %
A P Bank Ltd.	17 %
■ Arbuthnot Latham	17 %
Associates Cap. Corp.	17 %
Banco de Bilbao	17 %
Bank of Credit & Cmce.	17 %
Bank of Cyprus	17 %
Bank of N.S.W.	17 %
Banque Belge Ltd.	17 %
Banque du Rhone et de la Tamise S.A.	17½%
Barclays Bank	17 %
Bremar Holdings Ltd.	18 %
Brit. Bank of Mid. East	17 %
Brown Shipley	17 %
Canada Perm't Trust	17 %
Cayzer Ltd.	17 %
Cedar Holdings	17 %
■ Charterhouse Japhet	17 %
Choulartons	17 %
C. E. Coates	17 %
Consolidated Credits	17 %
Co-operative Bank	*17 %
Corinthian Secs.	17 %
The Cyprus Popular Bk.	17 %
Duncan Lawrie	17 %
Eagil Trust	17 %
E. T. Trust Limited	17 %
First Nat. Fin. Corp.	18½%
First Nat. Secs. Ltd.	18 %
Robert Fraser	18 %
■ Antony Gibbs	17 %
Greyhound Guaranty	17 %
Grindlays Bank	‡17 %
■ Guinness Mahon	17 %
■ Hambros Bank	17 %
■ Hill Samuel	§17 %
C. Hoare & Co.	†17 %
Hongkong & Shanghai	17 %
Industrial Bk. of Scot.	17½%
Keyser Ullmann	17 %
Knowsley & Co. Ltd.	18½%
Lloyds Bank	17 %
Edward Manson & Co.	18 %
Midland Bank	17 %
■ Samuel Montagu	17 %
■ Morgan Grenfell	17 %
National Westminster	17 %
Norwich General Trust	17 %
P. S. Refson & Co.	17 %
Rossminster	17 %
Ryl. Bk. Canada (Ldn.)	17 %
Schlesinger Limited	17 %
E. S. Schwab	17 %
Security Trust Co. Ltd.	18 %
Shenley Trust	19 %
Standard Chartered	17 %
Trade Dev. Bank	17 %
Trustee Savings Bank	17 %
Twentieth Century Bk.	17 %
United Bank of Kuwait	17 %
Whiteaway Laidlaw	17½%
Williams & Glyn's	17 %
Yorkshire Bank	17 %

■ Members of the Accepting Houses Committee.

* 7-day deposits 15%. 1-month deposits 15¼%.

† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.

‡ Call deposits over £1,000 15%.

§ Demand deposits 15%.

Companies and Markets

WORLD STOCK MARKETS

Very active early Wall St. rise

LED BY strength in Natural Resource shares, Wall Street advanced over a wide area in very heavy trading early yesterday, before surrendering some of the gain approaching mid-session.

The Dow Jones Industrial Average, after scoring a fresh rise of 8.62 at 11.00 a.m., was only a net 2.22 higher at 870.82 at 1 p.m. The NYSE All Common Index was 33 cents higher on balance at $64.28, after touching $64.49, while rises at mid-session outpaced falls by a nine-to-five ratio. Trading volume swelled to 47.91m shares from Tuesday's 1 p.m. level of 34.58m.

Analysts said fresh gains registered by Paper, Forest Products, Metal, Coal, Oil and Sugar issues reflected a rush to acquire natural resource assets on expectations that their value will increase.

Larry Wachtel, of Bache Halsey Stuart Shields, said the pension funds and foreign investors are rushing to buy.

Among the actives, IU International gained ½ to $12⅞, LTV ⅜ to $12⅝, International Paper 1⅞ to $43⅜ and Pittston ⅞ to $27⅞. Holly Sugar rose 1½ to $50, Champion International 1⅞ to $27⅞, North American Coal 2⅞ to $48 and Brush Wellman 4⅝ to $33½.

Active Benguet added ¼ at $16¼. Benguet reaffirmed its earlier earnings forecast for 1980. On Tuesday, Benguet lost 2⅞ on bearish Press comment.

Computer stocks generally rose, but volume leader IBM eased ⅛ to $69⅞, after the previous day's rise of 3⅜ on better-than-expected fourth-quarter profits. Honeywell, which reported improved December-quarter net earnings, gained $2 to $90½. Texas Instruments 3¼ to $97½ and Control Data 1⅛ to $61½.

Rosario Resources rose $2 to $71½. Hudson Bay Mining began its bid for Rosario at $65 a share, but Rosario is suing in the York State court to stop the offer.

THE AMERICAN SE Market Value Index was a net 1.84 stronger at 262.08 at 1 pm. Volume 8.41m shares (8.27m).

Closing prices for North America were not available for this edition.

Canada

Markets put on another show of strength in busy dealings yesterday morning. The Toronto Composite Index was 19.9 higher at 1,964.4 at noon, while Golds advanced 69.1 to 3,158.9, Metals and Minerals 32.8 to 2,117.4, and Oil and Gas 16.0 to 3,860.6. In Montreal, Banks moved ahead 4.24 to 321.33, Utilities 3.72 to 263.00 and Papers 3.14 to 183.61.

Tokyo

Late profit-taking, especially in Defence-related issues and Foodstuffs, left the market closing with an easier bias on balance after an initial firming tendency.

Buying interest waned following news of tighter margin trading curbs on all stocks effective from yesterday. The worsening international situation over Iran and Afghanistan initially boosted Defence-related shares, but failed to sustain them later in the day.

There was a moderate business of 280m shares, while the Nikkei-Dow Jones Average finished a net 6.29 down at 6,653.26 and declines outnumbered gains on the First Market section by 388-to-248.

Defence-related shares closing lower on the day included Shinmeiwa Industry, Y10 off at Y610, and Godo Shusei, Y30 down at Y470.

Vehicles mainly declined, Yamaha Motor receding Y48 to Y950 and Honda Y13 to Y642, but Light Electricals generally recorded modest gains.

Petroleums picked up strongly, Teikoku Oil rising Y65 to Y1,040 and Nippon Oil Y110 to Y1,900. Among Trading Houses, Mitsubishi climbed Y33 to Y780, but Mitsui shed Y7 to Y356.

Non-ferrous Metals and Sugars gained ground, reflecting the upsurge in overseas prices of gold, other precious metals and sugar.

Hong Kong

Reflecting market optimism that legislation to curb property speculation was not after all imminent, stock prices took a turn for the better in moderate activity. After the reaction of the past few business days, the Hang Seng index picked up 8.63 to 842.49.

Dealers said news that the Hong Kong Government is not considering restrictions on the first pre-completion sales of residential property came too late to affect the market, but they expected share prices to go higher today.

HK Bank and Jardine Matheson rose 40 cents apiece to HK$19.00 and HK$15.60 respectively, while Hutchison Whampoa rose 15 cents to HK$8.50, but HK Wharf shed HK$1 to HK$74.

Among Properties, SHK Properties advanced 40 cents to HK$17.00, HK Hotels 50 cents to HK$30.50, Hopewell 30 cents to HK$10.00, Cheung Kong 20 cents to HK$18.80 and Hutchison Properties 10 cents to HK$24.30.

WORLD INDEX

From today, overseas market indices on this page will include the Geneva-based Capital International's World index.

The index has a base value of 100 as at January 1, 1970, and covers approximately 1,100 securities in 20 countries. Because of its wide coverage, the index is calculated, and will be published, a day late.

Germany

Bourse prices generally softened in quiet dealings, investors further disturbed by soaring gold prices and rising world tension.

Declines were reported in all sectors, but market sources noted that some Precious Metals and Defence-related shares rose, the latter on speculation that world tensions would increase arms sales.

Degussa, the precious metals trading and smelting company, advanced DM 7.50 more to DM 281 in response to the surge in gold and silver prices.

The troubled Electricals concern AEG shed DM 1.60 more to DM 35.10 following shareholder approval, but with some strong criticism, of the company's rescue plan.

Among Motors, Mercedes lost DM 4.50 and Daimler DM 3, while Engineerings had Babcock down DM 3.50 and GHH DM 2.90 lower.

Public Authority Bonds were mixed.

Australia

After Tuesday's mixed performance on meeting profit-taking, Mining issues were inclined to show renewed firmness yesterday. Industrials were higher for choice, but Oils showed an easier tendency. The Sydney All Ordinaries index put on 4.03 to reach a new record high of 810.29 and the Metals and Minerals index gained 30.82 to 5,184.59.

Outstanding performers included Pancontinental, which jumped A$1.10 to A$8.60. The rise came partly because investors have suddenly remembered that there is gold with the uranium at Jabiluka and partly because the current visit to Australia of Prime Minister Ohira has put energy stocks in the spotlight.

For this latter reason, Coal shares also moved ahead, with Utah adding 45 cents at A$4.60 in a thin market, Coal and Allied 20 cents to A$8.40 and White Industries also 20 cents to A$7.00. The Rundle Shale Oil partners also strengthened, Central Pacific adding A$5 to A$46 and Southern Pacific 70 cents to A$16.50.

Following new record highs for overseas bullion prices, Central Norseman Gold put on 20 to A$6.90, Poseidon 10 cents to A$2.75 and Wattle Gully 8 cents to 70 cents.

Elsewhere in Minings, MIM climbed 18 cents to A$5.22 and Hamersley 10 cents to A$4.60, but Ashton diamond partners CRA and Ashton Mining reacted 10 and 14 cents more respectively to A$5.60 and A$3.18.

Indices

NEW YORK—DOW JONES

	Jan. 15	Jan. 14	Jan. 11	Jan. 10	Jan. 9	Jan. 8	1979-80 High	1979-80 Low	Since Compltn High	Since Compltn Low
◆Industr'ls	868.60	863.57	858.55	858.96	860.09	851.71	887.61 (5/10)	796.67 (7/11)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	75.81	75.81	75.82	74.80	74.81	75.84	86.10 (15/6)	75.35 (31/12)	—	—
Transport.	268.74	268.25	257.01	256.94	253.85	253.17	271.77 (15/8)	205.78 (27/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	109.03	108.59	108.17	108.27	108.70	108.59	109.74 (17/12)	98.24 (24/10)	163.32 (20/4/69)	10.52 (28/4/42)
Trading Vol 000's	52,320	52,930	53,110	58,220	65,770	53,540	—	—	—	—

◆Day's high 873.81 low 855.89

Ind. div. yield %	Jan. 11	Jan. 4	Dec. 28	Year ago (approx)
	6.30	6.03	6.03	5.80

STANDARD AND POORS

	Jan. 15	Jan. 14	Jan. 11	Jan. 10	Jan. 9	Jan. 8	1979-80 High	1979-80 Low	Since Cmpl't'n High	Since Cmpl't'n Low
‡Indust'ls	124.91	123.82	123.34	123.51	122.38	122.24	124.91 (15/1/80)	107.08 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	111.14	110.38	109.82	109.69	109.05	108.95	111.27 (5/10)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	Jan. 9	Jan. 2	Dec. 26	Year ago (approx)
Ind. div. yield %	5.22	5.38	5.27	4.91
Ind. P/E Ratio	7.78	7.54	7.67	8.93
Long Gov. Bond Yield	10.27	10.16	10.17	8.96

N.Y.S.E. ALL COMMON

Jan. 15	Jan. 14	Jan. 11	Jan. 10	1979-80 High	1979-80 Low
63.95	63.58	63.35	63.25	63.95 (15/1/80)	53.88 (27/3)

Rises and Falls	Jan. 15	Jan. 14	Jan. 11
Issues Traded	1,903	1,930	1,892
Rises	764	887	859
Falls	764	685	672
Unchanged	375	358	361
New Highs	—	162	171
New Lows	—	10	14

MONTREAL

	Jan. 15	Jan. 14	Jan. 11	Jan. 10	1979-80 High	1979-80 Low
Industrial	347.47	343.26	341.05	341.25	347.47 (15/1/80)	219.19 (2/1)
Combined	326.80	322.27	320.06	319.82	326.80 (15/1/80)	226.80 (2/1)
TORONTO Composite	1944.5	1922.2	1898.7	1884.1	1944.5 (15/1/80)	1315.8 (2/1)

	Jan. 16	Jan. 15	Jan. 14	Jan. 11	1979-80 High	1979-80 Low
AUSTRALIA Sydney All Ord. (1936/59)	810.29	806.26	808.88	788.13	810.29 (16/1/80)	545.72 (2/1/79)
Metals & Minls (1936/59)	5184.59	5153.77	5195.07	4976.98	5195.07 (14/1/80)	2587.34 (2/1/79)
AUSTRIA Credit Aktien (2/1/62)	68.83	68.87	68.91	68.91	68.49 (7/1/80)	61.53 (2/8)
BELGIUM Belgian SE (31/12/63)	102.40	102.24	102.44	102.54	106.47 (5/10)	98.99 (5/1/79)
DENMARK Copenhagen SE (1/1/73)	83.73	83.76	83.80	83.81	97.48 (25/7)	83.73 (15/1/80)
FRANCE CAC General (29/12/61)	105.5	105.1	104.8	104.2	113.1 (5/10)	82.4 (16/2)
Ind Tendance (28/12/79)	101.5	101.9	101.5	101.70	101.9 (15/1/80)	85.5 (5/1/80)
GERMANY FAZ-Aktien (31/12/58)	221.74	222.8	222.69	224.65	265.60 (16/1/79)	220.76 (5/1/80)
Commerzbank (Dec.1953)	780.5	718.5	785.2	709.10	859.60 (16/1/79)	695.5 (5/1/80)
HOLLAND ANP-CBS General (1970)	85.7	85.9	84.1	84.9	94.2 (24/1/79)	82.7 (5/1/80)
ANP-CBS Indust. (1970)	67.1	67.4	67.6	66.20	85.9 (24/1/79)	65.7 (15/12)
HONG KONG Hang Seng Bank (31/7/64)	842.49	833.86	842.51	848.47	889.13 (2/1/80)	493.83 (2/1/79)
ITALY Banca Comm. Ital (1972)	88.79	87.56	85.85	87.09	93.85 (4/10)	68.58 (2/1/79)
JAPAN Dow Average (16/5/49)	6653.26	(c)	6659.55	6615.51	6659.55 (14/1/80)	5825.87 (10/4)
Tokyo New SE (4/1/68)	465.18	(c)	465.65	462.71	465.24 (29/8)	435.13 (13/7)
NORWAY Oslo SE (1/1/72)	140.56	138.27	140.61	140.53	142.22 (13/12)	74.48 (16/1)
SINGAPORE Straits Times (1966)	453.46	447.70	441.52	438.17	453.46 (16/1/80)	346.54 (23/2)
SOUTH AFRICA Gold (1958)	(u)	558.5	556.9	530.6	556.9 (14/1/80)	228.49 (17/4)
Industrial (1958)	(u)	475.5	474.3	471.1	475.5 (15/1/80)	278.50 (2/1/79)
SPAIN Madrid SE (28/12/79)	88.74	98.31	(c)	98.67	100.75 (2/1/80)	98.31 (15/1/80)
SWEDEN Jacobson & P. (1/1/58)	357.17	357.65	342.01	342.33	401.54 (6/2)	351.57 (24/8)
SWITZERLAND Swiss Bank Cp. (31/12/58)	308.3	308.0	308.6	310.40	323.10 (2/5)	284.00 (5/1/79)
WORLD Capital Intl. (1/1/70)	—	136.5	134.6	133.9	138.4 (5/10)	122.2 (1/3)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Closing price	Change on day
Benguet	1,306,000	15⅞	−2⅞
IBM	938,800	70¼	+3⅜
Texaco	762,700	30⅜	+¼
R. L. Burns	582,000	7⅞	+1⅛
LTV	579,800	12⅜	+1
Reynolds Inds.	555,900	33⅝	+⅛
Boeing	540,300	60⅞	+2⅞
Intl. Paper	483,500	41⅜	+2⅞
Am. Home Prds.	482,700	26⅝	−⅛
Asarco	481,100	51⅜	+⅞

Financial Rand US$1.07 (Discount of 12⅛%)

Spain prices, Page 24

COMMODITIES and AGRICULTURE

Rubber price up sharply

RUBBER PRICES moved sharply higher in London yesterday in response to a steep rise in eastern markets. On the physical market the RSS No. 1 spot position closed at a new high of 75p a kilo, up 3.5p on the day.

Dealers attributed the rise to mounting international tension, its possible repercussion on oil supplies and renewed talk that the U.S. was contemplating a build-up of strategic stockpiles, including rubber.

Some said they thought the market might be confused over planned U.S. stockpile legislation.

A U.S. Critical Materials Stockpile Bill, signed earlier this month, authorises the acquisition of $237m worth of strategic and critical materials for the national stockpile. The bill made no reference to the commodities likely to be acquired, but copper and rubber are thought to be leading contenders.

More Third World food aid sought

By Rupert Cornwell in Rome

A BIG boost to the resources of the International Fund for Agricultural Development (IFAD) is likely to be agreed at this week's IFAD governing council meeting, to advance its aim of helping lift food production in the Third world.

IFAD, which is financed by western industrial and oil producing countries, has already spent $500m of its initial $1bn endowment in the two years since its inception. The remaining $500m will on current [illegible]ds have been committed by the end of 1980, and the goal of the Rome session is to secure at least a "top-up" to the original $1bn of available resources.

The talks are taking place against a background of mounting food requirements in poorer countries. In spite of heavy crops in main cereal exporting countries, the meeting was told that at least 20 per cent of the population of Africa, Asia and Latin America still suffer from chronic hunger and malnutrition.

Import requirements for foodstuffs by developing countries are expected to rise to 85m, or even 100m, tonnes by 1985 from only 60m tonnes in 1977.

Speculators lift copper prices

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES advanced strongly again on the London Metal Exchange as a new wave of speculative buying was triggered off by the rise in gold and silver. Copper cash wirebars closed £23.5 higher at £1,081.5 a tonne and the three months quotation, £25.25 up at £1,113.75, closed at the highest level since 1974.

News that workers at the El Teniente mine in Chile had voted in favour of striking to back a pay claim added fuel to *the buying fervour.* But the bulk of demand was reported to have come from speculators following the rise in gold: indeed *the market eased in late trading* when gold fell back.

Dealers said that trade participation in the market is at a low *ebb, overwhelmed by the flow* of speculative funds. With consumption poor, the trade's main interest in the market appears *to be selling when prices reach a* peak level.

Nevertheless in the U.S. and Canada producers have taken *advantage of the upsurge in the* market to raise their domestic selling prices significantly. Asarco announced an increase *of 4 cents to $1.18* a pound and Noranda an increase of 5 cents to $1.17 yesterday.

There was more trade participation in the tin market where one dealer managed to control most of the cash supplies available and demanded hefty premiums to release them. Finally after the cash price had been driven over £8,000 at one stage, some supplies were released and the cash price fell back to £7,810 a tone, £125 lower than the previous close.

The three months tin price ended marginally higher as a result of the gains in other metals. *The U.S. is expected to* announce this week details of the proposed programme for sales of stockpile tin, and its *contribution to the International* Tin Council buffer stock, after the talks being held in London this week with other member *countries of the International* Tin Agreement.

Lead continued to rally from the sharp price fall that followed *the U.S. grain embargo on sales* to Russia, which it was feared might also apply to lead.

Although there are no reports *yet of Soviet buying, a new* squeeze appears to be developing in nearby supplies of lead. The cash price, up by £13 to *£464* a tonne, has now re-established a small premium over the three months quotation.

Coffee market depressed

By Our Commodities Staff

COFFEE PRICES continued to decline on the London futures *market yesterday and the March* delivery position ended £15.5 down at £1,532 a tonne. March coffee has now fallen £75 since *the end of last week.*

Dealers said the fall was in line with the overnight tone in New York where expectations that Brazil's 1980 export policy would include discount sales to large roasters helped to depress the market.

The Indonesian Trade Ministry announced it had reduced its export tax on coffee and this was thought to be a further factor in

In Rio de Janeiro Sr. Carlos Alberto Andrade Pinto denied market reports that he had been appointed head of the Latin *American producers' Bogota* coffee support fund. No one had consulted him on the matter, he said. The reports must have *emanated from someone who held* a long position in the market, he suggested. Sr. Andrade Pinto is special adviser to the Brazil planning Ministry on coffe, cocoa, sugar and soyabeans.

Cocoa prices also fell yesterday with the May position ending £13 down at £1,449 a tonne.

Dealers said trading was thin and the market lacked direction. There was talk that the UK cocoa bean grind for the fourth quarter of 1979 could be marginally lower but it was thought this had already been discounted

EEC urged to cut beet quotas

BY OUR COMMODITIES STAFF

TAE AND LYLE may have to cut its UK sugar refining capacity still more, by a further 300,000 tonnes, if the British Sugar Corporation is allowed to complete its texpansion plans, Lord Jellicoe, Tate and Lyle's chairman, claimed yesterday in London.

He said the EEC's forthcoming decision on the Community's sugar production quotas for the next five years is the key uncertainty for the company. "I don't relish the idea of any more refinery closures," Lord Jellicoe commented.

Tate and Lyle supports EEC Commission proposals to cut quotas, although they are *opposed by the UK Government.*

Lord Jellicoe added that the Commission's proposals would help reduce the present EEC *sugar "mountain"* and also enable the Community to join the International Sugar Agreement aimed at bringing more *stability to the world market.*

The EEC Commission caused some surprise yesterday by only authorising exports of *58,000 tonnes of white sugar* at its weekly selling tender. It did, however, authorise the export of 15,000 tones of raw sugar, too. It had been expected that 80,000 tonnes of white (refined) sugar would be authorised for sale in view of the buoyant state of the world market at present.

Nevertheless, there are signs that demand, especially from the Soviet Union, which is now believed to have bought up to 2m tonnes, is now easing slightly.

Prices on the world market were firm again yesterday, but speculative buying interest was less strong than expected. Values *eased* back in late trading on profit-taking. The London daily price for raw sugar was raised by £1 to £183 a tonne. On the futures market the May position reached a peak of £192.10 before closing at £191.20 a tonne, some £2 higher than the previous day.

Indian jute goods output higher

CALCUTTA — Indian production of jute goods in December increased by 4,005 tonnes from the November figure of 94,409 tonnes. The December total of 98,414 tonnes comprised of hessian 28,830 tonnes (1,068.3 lakh yards), sacking 47,167 tonnes (1,165.9 lakhyards and others 22,417 tonnes.

FARM OWNERSHIP

A landlord's place

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

EASING THE tax restrictions on the private landlord would not necessarily help the young *newcomer to start farming* as a tenant, Lord Northfield warned, in a trenchant defence of his 1978 report on land ownership.

The problem, he added, was more complex than that.

Lord Northfield was speaking *at a conference organised* by the Royal Institution of Chartered Surveyors in London yesterday, devoted to consideration of the private landlord's place in the future structure of farming. Speakers emphasised that not only was the private landlord discriminated against by rents being classed as investment income and by being forced to pay VAT on repairs, but that tenants now had virtual security for up to three generations under the 1976 Act.

This has meant that few, if any, farms are to rent and the traditional progression up the farming ladder from small to *larger farms, which landlords* used to provide on their estates, no longer exists. Tenancies are still being arranged but in general they now take the form of partnerships which do not carry the same restrictions.

Lord Northfield pointed out that there was bound to be frustration if only because the number of applicants far exceeded the opportunities. Agricultural colleges, he inferred, were turning out far more young aspirants than could ever be accommodated on farms and there was no certainty either that landlords would let their farms even if *their conditions were met.*

This is an important point and one which none of the subsequent speakers was able to answer, if only because farming is prosperous these days and landlords would only be human if they decided to make full use of any advantages offered.

Lord Northfield said that outsiders could see no special virtue in owning land as opposed to other assets, and questioned the sense of thinking that any government would give a special dispensation to landowners in fiscal matters. He gave as an example estate duty.

The most constructive suggestion at the conference was that there should be fixed-term tenancies, as an alternative to partnerships. However, although the NFU was not particularly enthusiastic about security of tenure when it was enacted, they will be very unlikely to agree to any lessening of the protection given to tenants. In any case, the trend today appears to be in the direction of owner occupation, and in consequences the supply of farms to rent will shrink.

World grain harvest forecast raised

THE U.S. Department of Agriculture (USDA) has raised its forecast of world total grain production in the 1979-80 season to 1,519.1m tonnes from last month's estimate of 1,508.6m. But this is still below last season's 1,576.8m tonnes.

The Department's crop reporting Board said the larger U.S. maize crop and an increased Indian rice crop account for most of the rise.

The U.S. coarse grain crop estimate was raised to 234.5m tonnes from 229.9m tonnes last month while India's rice crop is now forecast at 65m tonnes, up from 61.6m.

World output of major oilseeds is projected at about 180m tonnes, 1.2 per cent more than the December forecast and well above the 158.9m tonnes produced in 1978-79.

Slightly higher forecasts for soyabeans, cottonseed, sunflowerseed and rapeseed were partly offset by reductions in other crops.

The soyabean output forecast was raised by about 900,000 tonnes to 96m because of better *prospects in the U.S. and Brazil.* The Brazilian crop estimate was raised to 14m tonnes from 13.5m and the U.S. to 61.72m from 60.85m.

The latest world wheat crop estimate of 405m tonnes is about 2m above the December estimate but below last season's 438.6m tonnes. Better crops in the U.S., Western Europe and Australia account for the increase.

U.S. production of all crops rose 13 per cent in 1979 to set *a new record, the USDA said.* Maize and soyabean output reaching their highest levels ever and wheat production the second best on record. The cotton crop was the highest since 1965.

Feedgrain, food grain, cotton and oil crops all showed sizeable gains from the previous year while sugar and tobacco output declined.

Production of maize for grain in 1979 was estimated at 7.76bn bushels, *10 per cent more than* in 1978 and a new record for the fifth year running. In November, the USDA forecast the maize crop at 7.59bn bushels.

In 1979, growers planted 80m acres of maize, about the same as the previous year. Acreage harvested for grain was forecast at 71m acres, 1 per cent more than in 1978.

The nation's 1979 soyabean crop was estimated at a record 2.27bn bushels, 21 per cent above the 1.87bn produced in 1978 and slightly above the Department's previous estimate of 2.24bn.

Acreage planted to soyabeans last year reached a record 71.6m acres, up 11 per cent from 1978 while harvested acres, *at 70.5m acres, were also* 11 per cent higher.

WORLD GRAIN CROP ESTIMATES (million tonnes) —including rice

	1978/79	1979/80
U.S.	273	299
China	262.5	272.5
USSR*	228.2	172.2
Western Europe	154.1	147.8
India	143.1	125.4
Eastern Europe	96.3	90.6
Canada	41.6	36.4
Brazil	27.2	30
Argentina	25.6	25
Indonesia	25.8	24.3
Australia	25.8	23.4
Thailand	20.1	20
Others	253.5	252.5
Total	1,576.8	1,519.1

* Excludes miscellaneous grains. *Source: USDA*

Export hopes boost wheat futures

BY OUR COMMODITIES STAFF

UK GRAIN futures rose yesterday on the London market following rumours that existing export licences might be used for sales to the Soviet Union. Although the EEC Commission has suspended export rebates on exports to the Soviet Union, it is thought some licences already issued might be utilised by grain shippers to cover exports to Russia.

On the Chicago market wheat prices rallied from early losses to move higher. The recovery was attributed to renewed buying interest, hopes of increased exports to China and further U.S. Government assurances that grain prices will not fall in spite of the cutback in exports to Russia.

Howard Hjort, the U.S. Agriculture Department's chief economist, pledged that all of the wheat embargoed for shipment to the USSR will be taken *off the market* and will not be available at any price, reports Reuter

He told the annual meeting of the National Association of Wheat Growers that USDA would either take delivery of the embargoed wheat or would buy it in the open market.

Mr. Hjort said prices will firm as USDA takes delivery of the embargoed grain and as farmers isolate grain from the free market by placing it in *the farmer-owned grain reserve.*

So far, farmers have shown restraint by not engaging in panic selling because of the embargo, he noted.

The USDA will take steps to assure that no grain will be sold on the market at a price lower than it closed on Friday, January 4.

It plans to develop a model contract for the purchase of grain which has been embargoed for shipment to the USSR.

The contracts will specify the way in which the price was obtained, and the system for which the government will take delivery of the grain if no alternative disposition can be arranged.

In Rio de Janeiro foreign minister Ramiro Saraiva Guerreiro said Brazil was not going to join the US embargo on grain and oilseed shipments to the Soviet Union.

He said Brazil would continue to trade normally, and did not wish to join embargo nor take advantage of it.

Officials from Brazil and Argentina met USDA in Washington on January 14 to discuss the U.S. embargo. Brazil agreed to consider the U.S. request not to fill the gap caused by the embargo.

tonnes, sharply up on 10.2bn last year.

The Commission for Financing Production, (CFP), is maintaining its estimate of a crop between 14.7m and 15.3m

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Higher on the London Metal Exchange in active trading influenced by the movements of gold. Much of the business was of a speculative nature with little regard for background events like the vote for a strike at El Teniente. Forward metal initially moved between £1,100 and £1,093 but then moved up to touch £1,021 in the afternoon. There was some trade selling between £1,108 and £1,118. The market was not able to maintain the higher levels and as the gold price eased, the price slipped to close on the kerb at £1,117. *Turnover 30,700 tonnes.*

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1,080, three months £1,113, 14, 15, 16, 17, 18, 15, 13, 12, 13, 12, 10, 08, 10, 11, 12, 11, *10, 09, 10, 11,* 12. Cathodes, cash £1,055, three months £1,087, 88, 87. Kerb: Wirebars, three months £1,110, 09, 08, 09, 08. Afternoon: Wirebars, three months £1,120, 22, 21, 20, 19, 20, 21, 20.5, 21.5, 21, 15, 14, 13, 13.5. Cathodes, three months £1,089, 88. Kerb: Wirebars, three months £1,114, 15, 16, 17, 18, 20, 21, 22, 21, 20, 17.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	1080-1	+16	1081-2	+25.5
3 months	1111-2	+15.5	1113.5-4	+25.5
Settlem't	1081	+16	—	.....
Cathodes				
Cash	1055-6	+18.5	1055-7	+21.5
3 months	1087-8	+15½	1088-9	+23.5
Settlem't	1056	+16	—	.....
U.S. Prod	—	.....	*110-12	.....

TIN—Very active with the backwardation remaining wide despite the appearance of cash metal to ease the acute shortage apparent on Tuesday. At one stage cash metal was quoted at £8,100 but, with offerings available, came off to £7,800. Forward metal started at £7,330 and rose to £7,350 before coming off, unsettled by rumours of GSA releases and nervous bull liquidation. It closed on the kerb slightly above its low for the day at £7,300. Turnover 1,245 tonnes.

Morning: Standard cash £8,000, 8,100, 8,000, 7,800, 7,900, 7,950, mid-Jan. £7,500, 7,450, three months £7,350, 60, 70, 60, 50, 40, 50. Kerb: Standard, three months £7,350, 40, 30. Afternoon: Standard cash £7,800, three months *£7,340, 35, 30, 40, 30, 20.* Kerb: Standard three months £7,320, 7,295, 7,300, 10.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7980-8080	+115	7800-25	—72.5
3 months	7350-60	+77.5	7335-55	+15
Settlem't	8000	+150	—	.....
Standard				
Cash	7980-8000	+115	7800-20	—75
3 months	7350-60	+77.5	7325-35	+17.5
Settlem't	8000	+150	—	.....
Straits.E.	‡$2126	+14	—	.....
NewYork	—	.....		.....

LEAD—Firmer in line with the trend in gold and copper. The market was buoyed by some short covering. Forward metal started at £454 and reached a high for the day on the late kerb of £472. Trading was fairly active with the backwardation tending to re-appear, indicating some shortage of nearby material. The close on the kerb was £467.5. Turnover 15,450 tonnes.

Morning: cash £466, 65, mid-Feb £465, three months £464, 63, 62, 61, 63. Kerb: three months £462, 61, 60, 59, 60, 61. Afternoon: cash £463, three months £463, 62, 58, 60, 62. Kerb: three months £460, 63, 64, 65, 68, 70, 71, 73, 70, 69, 68, 70, 69, 68, 67, 68.

LEAD	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	465-6	+12	465-5	+15
3 months	462-3	+11	461-2	+12
S'ment	466	+12	—	.....
U.S. Spot	—	.....	*50	.....

ZINC—Little changed as forward metal moved narrowly between £343 and £346 in moderate trading. The close on the kerb was £345.5. Turnover 3,475 tonnes.

Morning: cash £329, 30, three months £345, 44, 45, 45.5, 45, 44. Kerb: three months £345, 44. Afternoon: three months £345, 45.5, 45. Kerb: three months £345, 45.5, 45.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	328.5-9.5	—.5	329-30	+.5
3 months	343-4	—1	344-5	+1
S'ment	329.5	—.5	—	.....
Prim w'st	—	.....	*37.5	.....

ALUMINIUM—Gained ground following *the rise in the published UK* producer price. Some fresh buying was evident but there was little inclination to follow through and the forward price fell back from its *highest level. It started at £910, rose* to £920, fell to £910 and recovered to close on the kerb at £914.5. Turnover 5,100 tonnes.

Morning: three months £920, 18, 19, *18, 17, 18, 17, 16, 14. Kerb: three* months £914, 13. Afternoon: three months £916, 15, 16, 17.5, 12, 11, 10, 09, 10, 11. Kerb: three months £912, 13, 14.

Alumin'm	a.m. Official	†+ or —	p.m. Unoffic'l	†+ or —
	£	£	£	£
Spot	930-1	+6.5	927-8	+5
3 months	913-4	+10.2	911-2	+8

NICKEL—Gained ground with trading *most active in the afternoon.* The market was influenced by gold and copper. After opening at £2,925-£2,930, the price climbed to £2,950 during the morning. In the afternoon it moved *ahead from £2,955 to £2,960 before* it met trade selling. The close on the kerb was £2,957.5. Turnover 720 tonnes.

Morning: three months £2,950. *Afternoon: three months £2,955, 53, 50, 55,* 60. Kerb: three months £2,960.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2965-80	+37.5	2965-75	+57.5
3 months	2945-55	+32.5	2958-60	+44

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver continued to climb to record levels in the London bullion market yesterday, and reached its highest fixing level ever at £21.095 per ounce, a rise of £1.898. U.S. cent equivalents of the fixing levels were: Spot $48.012, up $4.012; three-month $48.622, up $4.059; six-month $49.17, up $3.91; *and 12-month $49.873, up $3.883. The* metal opened at £20.15-20.45 ($46-49) and closed at £20.55-21.25 ($46¾-48¼) after touching $49-52 during the day.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	2109.6p	+188.	2070p	+127.
3 months	2149.5p	+194.	2100p	+122.
6 months	2179.5p	+189.	—	.....
12months	2225.5p	+186.	—	.....

LME—Turnover 192 (172) lots of 10,000 ozs. Morning: three months 2,160, 65, 80, 90, 75, 70, 75, 70. Kerbs: three months 2,170, 59, 60, 65. Afternoon: three months 2,150, 35, 30, 05, 2,100, 2,070, 90, 80, 2,100, 2,090, 2,100. Kerbs: three months 2,110, 20, 25, 22, 40, 35.

COCOA

Unchanged this morning futures drifted within a £20 range and closed at the lows of the day. Apart from a little trading of nearby positions *physicals again failed to appeal to* producers or consumers, reported Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
March	1456-57	—12.0	1475-53
May	1448-50	—13.0	1467-47
July	1455-56	—13.5	1475-55
Sep	1470-75	—10.0	1514-490
Dec	1500-02	—10.5	1501-00
March	1515-30	—7.5	—
May	1536-55	+5.5	—

Sales: 829 (918) *lots of 10 tonnes.* International Cocoa Organisation (U.S. cents per pound): Daily price Jan. 15 145.34 (144.49); indicator price Jan. 16. 15-day average 143.78 (143.80); *22-day average 144.10 (144.35).*

COFFEE

Robustas opened £10-£16 lower to reflect further weakness *in the "C"* contract market with commission house selling in the nearby position once again dominating the proceedings during an easier morning session, repodted Drexel Burnham Lambert. *In* the afternoon values drifted lower initialy but recovered slightly on short *covering before the close. Fresh selling on the final run through of the day provided* an easier close as prices finished around the lows.

COFFEE	Yesterdays Close	+ or —	Business Done
	£ per tonne		
January	1496-97	—17.0	1510-89
March	1531-33	—15.5	1544-25
May	1545-47	—13.0	1558-39
July	1570-72	—5.5	1578-60
Sept	1575-80	—8.0	1588-66
Nov	1565-82	—5.5	1565-61
January	1550-82	—6.0	—

Sales: 5,385 (3,926) lots of 5 tonnes. ICS indicator prices for Jan. 15 (cents per pound). Other Mild Arabicas 171.33 (177.33). Robustas ICA 1976 [illegible] (165.50). *ICA 1968 163.25* (165.75). Unwashed Arabicas 213.00 (same). Comp. daily ICA 1968 184.64 (186.72).

GRAINS

LONDON GRAIN FUTURES—The market opened 25p higher on old crops with values increasing to trade 50p *up on wheat and 65p up on barley.* Some profit-taking was seen at these levels and wheat fell back slightly to close 30-45p higher, but barley held firm to close 50-65p up on the day. New crops closed unchanged on the wheat and 10p lower on the barley, reported Acli.

	WHEAT		BARLEY	
M'nth	Yest'rdays close	+ or —	Yest'rday close	+ or —
Jan.	96.45	+0.45	93.35	+0.65
Mar.	*99.70*	*+0.35*	*95.55*	+0.66
May	104.00	+0.30	100.55	+0.50
Sept.	97.40	....	94.30	+0.05
Nov.	101.00	....	97.80	—0.10

Business done—Wheat: Jan. 96.50-96.40, March 99.85-99.60, May 104.20-103.90, Sept. 97.50-97.50, Nov. 101.15-101.10. Sales: 304 lots of 100 tonnes. Barley: Jan. 93.35-93.10, March 96.75-96.25, May 100.75-100.40, Sept. 94.45-94.35, Nov. 98.00-97.80. Sales: 512 lots of 100 tonnes.

IMPORTED—Wheat: CWRS No. 1, 13½ *per cent, unquoted. U.S. Dark* Northern Spring No. 2, 14 per cent, Jan. 95.25, Feb. 98.50, March 100 transhipment East Coast. U.S. Hard Winter, 13½ per cent, Feb. 94.50, March 95.50 East Coast. Maize: French Jan. 115.50, Feb. 116.50 quoted East Coast. Barley: English Feed fob Jan. 98, Jan.-March 99.50, April-June *105 East Coast. Rest unquoted.*

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 93.10, E. Midlands 91.70, Scotland 91.40. Other milling wheat: E. Midlands 98.90.

The UK Monetary Coefficient for the week beginning Monday, January 21, is expected to decrease to 1.066.

RUBBER

The London physical market opened firmer with active trading throughout the day, closing on a firm note. Lewis and Peat reported a Malaysian godown price of 332 (320) cents a kg (buyer, February).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
Feb.	72.25-75.35	72.10-72.80	75.25-72.15
Mar	76.80-76.98	75.50-75.75	76.80-75.80
Apr.-Jne	78.80-78.95	75.05-75.15	79.10-77.15
Jly.-Sept	80.65-80.75	78.50-78.65	80.85-78.70
Oct-Dec	82.00-82.05	78.10-78.15	82.15-80.40
Jan-Mar	85.45-85.50	79.70-79.85	85.80-82.05
Apr-Jne	84.70-85.00	81.20-81.25	84.70-84.00
Jly.-Sept	86.20-86.30	82.80-83.00	86.30-85.50
Oct-Dec	87.80-87.70	84.20-85.00	87.70-86.80

Sales: 859 (475) at 15 tonnes: 275 (427) at 5 tonnes.

Physical closing prices (buyer) were: Spot 75.00p (71.50p); Feb. 73.50p (70.50p), March 74.50p (72.00p).

SOYABEAN MEAL

The London market opened with losses of 50p to £1.00 following the USDA's final crop production figure showing a further increase to an already record crop, reported T. G. Roddick. Short-covering and light commission house support gave the *market a steady tone,* and late in the session fresh trade buying pushed prices up sharply *to close* with gains of around £1.00.

	Yest'rd'y Close	+ or —	Business Done
	£ per tonne		
February	121.50-22.3	+0.80	122.50-21.00
April	117.30-17.5	+1.0	117.70-16.60
June	118.20-18.3	+0.65	118.40-41.60
August	117.30-17.5	+0.45	117.30-16.80
October	*116.06-16.4*	*—0.05*	116.60
December	117.50-19.2	—0.20	117.60
February	120.00-22.5	+0.60	120.50

Sales: 139 (28) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £183.00 (£182.00) a tonne cif for Jan.-Feb.-March shipment. White sugar daily price was *£190.00* (same).

Keen buying from one quarter lifted prices quickly at the opening some £3.00 above kerb levels before heavier offerings blunted the advance. This resumed later, however, under the impetus of strong New York quotations and May touched £192.00 before some profit-taking pared the gains somewhat at the close, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
March	188.75-90.00	188.00-88.25	190.75-88.00
May	191.15-91.25	188.50-89.75	192.10-88.50
Aug.	191.80-91.95	190.60-90.70	182.50-87.00
Oct.	191.25-91.50	189.50-89.70	191.95-89.00

Sales: 6,721 (7,730) lots of 50 tonnes.

LONDON WHITE SUGAR—Close (in order buyer, seller, business, sales): Feb. expired, 190.00-188.00, 18; April 188.00, 196.00, 190.00, 11; July 185.00, 195.00, nil, nil; Sept. 190.00, 198.00, nil, nil; Nov. 190.50, 199.00, 190.50, 10; Feb. 194.00, 202.00, nil, nil; April 194.00, 202.00, nil, nil. Sales: 39.

No. 4 CONTRACT—Close (in order buyer, seller only): May 189.00, 190.25; Aug. 190.75, 191.00; Oct. 190.00, 190.30; Jan. 190.00, 191.00; March 192.50, 194.00; *May* 192.75, 193.25. Sales: 162 (180).

Tate and Lyle ex-refinery price for granulated basis white sugar was £318.70 (same) a tonne for home trade and £259.50 (£259.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for January 15: *Daily price 16.75 (16.27): 15-day* average 15.34 (15.21).

PRICE CHANGES

In tonnes unless otherwise stated.

	Jan. 16 1980	+ or —	Month ago
Metals			
Aluminium	£770/810*	....	£760 70
Free Mkt (cs)	$1950/1950	....	$1750/18
Copper			
Cash w'bar	£1,081.5	+23.5	£1001.5
3 mths	£1,113.75	+25.25	£1005.5
Cash Cathode	£1,056	+21.5	£958
3 mths	£1,088.5	+23.5	£984.5
Gold troy oz	$755	+87.5	$489
Lead cash	£464	+13	£546
3 mths	£461.5	+12	£532.5
Nickel	£3,195.78	....	£3,250.17
Freemkt(cif (lb	280/318c	....	270/318c
Platin'mtr'y oz	£189.0	....	£195
Free mkt	£383.65	+5.65	£291.75
Quicksil'ver	$390/400	....	$375/380
Silver troy oz	2109.5p	+189.8	1084.0p
3 months	2149.5p	+194.8	1126.0p
Tin Cash	£7,810	—125	£7,680
3 mths	£7,350	+17.5	£7,487.5
Tungsten22.04lb	$138	....	$137.75
Wolfrm 22.04 lbs	$140/145	....	$129.5/134
Zinc cash	£329	+0.5	£361
3 months	£344.5	+1	£367.5
Producers	$780	....	$780
Oils			
Coconut (Phil)	$900v	....	$875
Groundnut	‡	....	‡
Linseed Crude	£385	....	£395
Palm Malayan	$655s	+5	$666
Seeds			
Copra Philip	$585r	+5	$577.5
Soyabean(U.S.)	$284u	—1	$289.90
Grains			
Barley Futures	£95.55	+0.55	£97.65
Maize			
French No3AM	‡	....	£118.50
Wheat			
No. 1 Red Spg.	‡	....	‡
No2HardWint.	£94.50r	....	£105
Eng. Millingt.	‡	....	‡
Other commodities			
Cocoa ship.t.	£1,512	—12	£1,694
Future May.	£1,449	—13	£1,528.5
CoffeeF't'rMar	£1,532	—15.5	£1,882.5
Cotton A.Index	86.60c ‡	+1	83.10c
Rubber (kilo)	75.00p	+3.5	64.50p
Sugar (Raw)	£183	+1	£178
Wooltp's 64s kl	279p kilo	....	276p kilo

r Jan.-Feb. s Feb. v Feb.-March. t March-April. u April. z Indicator. § Buyer.

WOOL FUTURES

LONDON GREASY WOOL—Close *(in order: buyer, seller only).* Pence per pound. March, May, July, Oct., Dec., March, May, July 232.0, 242.0.

NEW ZEALAND CROSSBREDS—Close *(in order buyer, seller only). March* 188.0, 198.0 May 188.0, 198.0. July, Oct., Dec., March, May, July 187.0, 197.0.

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. Micron Contract: March 447.0, 449.0, 450.0-445.0, 74; May 470.5, 472.0, 474.9-470.0, 140; July 494.0, 496.0, 498.0-490.0, 404; Oct. 490.0, 491.0, 498.0-491.0, 118; Dec. 491.0, 491.0, 498.0-491.0, 211; March 495.0, 496.0, 499.0-494.0, 83; May 497.0, 498.0, 496.0-495.0, 9; July 494.0, 497.0, *untraded. Sales:* 1,039.

COTTON

LIVERPOOL—Spot and shipment sales amount to 210 tonnes, bringing the total for the week so far to 621 tonnes. Steady buying of the raw material was encountered, partly in view of the higher prices concerned. Most interest was shown *in United States* staple, but African qualities also commanded some attention.

★

GRIMSBY FISH—Supply good, demand moderate. Prices at ship's side (unprocessed) per stone: Shelf cod £3.30-£4.00, codlings £2.50-£2.80. Large haddock £4.20-£5.40, medium £4.20-£5.20, small £1.80-£2.80. Large plaice £3.70-£4.60, medium £3.00-£3.30, best small £3.00-£3.30. Skinned dogfish (large) £10.00, medium £7.00. *Lemon soles (large) £9.50,* medium £7.50. Saithe £3.80-£4.00.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on January 16. GB cattle 80.33p per kg lw (+0.52): UK sheep 135.0p per kg est dcw (+2.9): GB pigs 67.1p per kg lw (+3.3).

SMITHFIELD—pence per pound. Beef: *Scotch killed sides 84.0-88.0, hind*quarters 74.0-78.0, forequarters 47.0-49.0. Lamb: English small 54.0-60.0. *English small 64.0, medium 50.0-56.0, heavy 40.0-50.0, Scotch medium 50.0-56.0, heavy 46.0-50.0. Imported frozen: NZ PL New Season 51.0-52.0, PM New Season 49.0-50.0. Pork: English, under 100 lb 37.0-50.0, 100-120 lb 38.0-48.0. *120-180 lb 35.0-47.0. *Special quotation* very high quality produce in limited supply.

COVENT GARDEN—Prices in sterling *per package, except where otherwise* stated: Imported Produce: Oranges—Spania: Navel/Navelinas 4.00-4.40; Jaffa: Navels/Shamouti 50/189s 3.90-5.45; Greek: 2.50-2.60; Moroccan: 64/113s 3.80-4.20. Satsumas—Spania/ 95/189s 3.40-3.80. Clementines—Moroccan: 3/6s 4.00-5.00; Cypriot: 126/162 3.40-4.00. Lemons: Italian: 100/150s 5.70-6.00: *Cypriot: 11 kg 84/120s 3.60-5.20; 5 kg* 45/55s 2.20-2.50. Grapefruit—Cypriot: 2.80-3.40: 20 kg 3.60-4.50; Jaffa: large boxes 32/88s 3.80-4.80; Florida: Pink Flesh 36/48s 4.80-5.80. Sours/Bitters—Spanish: 4.50-4.70. Apples—French: Golden Delicious, boxes 40 lb 138/175 *4.80-5.40; 20 lb 2.30-2.80; jumble pack* 31 lb 2.00-2.80; Granny Smith 20 lb 2.80-3.20, 40 lb 5.80-6.20, Starkcrimson, approx. 20 lb 72s 2.60; 40 lb 5.80-6.30; Hungarian: Starking 40 lb 138s 6.00; Canadian: Red Delicious 40 lb 9.00-10.00; Italian: Granny Smith 20 lb. per pound 0.13-0.15. Peaches—S. African: trays 23/28s 2.00-2.60. Grapes—Spania: *Almeria 2.80-3.20, Black 4.00; Californian:* Red Emperor, per pound 0.50: S. African: Queen of the Vineyard 6.50. Bananas—Jamaican: per 28 lb 4.80. Avocados—*Israeli*: 4.50-4.80. Melons—Spanish: Green 7.00; 15 kg Green 8/15s 13.00. Pineapples—Ivory Coast: each 0.50-0.70. Onions—Spanish: 5.60-6.00; Dutch: 3.00-3.40. Tomatoes—Spanish: 1.50-2.50; Canary: 3.00-4.00. Lettuces—French: 12s 1.50: Dutch: 24s 3.60. Cucumbers—Canary: 10/14s 2.60-3.20; Spanish: 2.50. Capsicums—per pound *Canary: 0.40. Celery—American: 36s* 13.00; Israeli: 20/24s 6.60.

AMERICAN MARKETS

NEW YORK, January 16.

GOLD AND silver again posted limit gains due to the sharp increase in cash metals and the continued unrest in the *Middle East.* Copper prices also advanced their daily allowable limit in sympathy. Cotton traded moderately higher ahead of the government's supply/demand estimates. Coffee was mixed after early concern that Brazil's new marketing policy would include price reductions. Cocoa prices declined due to Brazil selling cocoa at lower than the minimum prices advocated by the cocoa producers' alliance. Sugar was limit up on spillover buying from the metals and on tightness in nearby supplies. The livestock complex was mixed *due to weakness in* cash beef *and a firmer tone to some* pork products. Maize and soyabeans failed to retain higher levels after following the gains in wheat made on *rumours of additional Chinese buying* interest, *reported* Heinold.

Potatoes (round whites)—March 61.5 (58.0), April 66.5-67.3 (64.3), May 77.0-77.8, Nov. ——. Sales: 1,087.

Tin—793.00-805.00 asked (799.00-804.00).

CHICAGO, January 16.

Lard—Chicago loose 21.50 (20.60). New York prime steam unavailable.

Live Cattle—Jan. 65.50-65.95 (65.50). Feb. 66.50-66.35 (66.67), April 69.20-69.10, June 71.30-71.45, Aug. 71.55-71.80, Oct. 70.30-70.40, Dec. 71.20, Jan. ——, Feb. ——.

Live Hogs—Feb. 40.85-40.55 (40.32), April 39.55-39.65 (39.32), June 43.00-42.95, July 43.75, Aug. 43.05-43.02, Oct. 41.82, Dec. 43.75, Feb. 46.10, April 45.75.

‡‡Maize—*March* 269½-269¾ (271¼), May 282¼-282½ (284), July 290½-290¾, Sept. 197¾-197½, Dec. 304½-304¾, March 317½.

Pork Bellies — Feb. 42.75-42.50 (41.62), March 43.40-43.25 (42.60), May 44.80-44.90, July 46.50, Aug. 46.25-46.00, Feb. 53.00, March ——, May ——, July ——, Aug. ——.

Silver—Jan. 4570.0 (4675.0), Feb. 3785.0 (3665.0), March 3817.0, April 3852.0, June 3899.0, Aug. 3943.0, Oct. 3990.0, Dec. 4035.0, Feb. 4075.0, April 4120.0, June 4165.0, Aug. 4210.0, Oct. 4255.0, Dec. 4300.0, Feb. 4345.0, April 4397.2, June *4436.9, Aug. 4476.5.*

‡Soyabeans—Jan. 639-638½ (639¾), March 654½-655½ (656¼), May 676½-677, July 695½-696, Aug. 704, Sept. 710, Nov. 720-721, Jan. 739.

‖*Soyabean Meal*—Jan. 184.50-184.00 (181.90), March 185.80-186.00 (185.10), May 189.50-189.70, July 194.20-194.00, Aug. 196.10-196.30, Sept. 199.00-198.50, Oct. 200.50, Dec. 203.50-204.00, Jan. *204.50-205.00.* March 206.50-208.00.

Soyabean Oil — Jan. 22.89-22.85 (23.00), March 23.30-23.35 (23.45), May 23.55-23.87, July 23.95-24.00, Aug. 24.20-24.25, Sept. 24.40, Oct. 24.60, Dec. 25.00, Jan. 25.00, March 25.25-25.30.

‡Wheat—March 435½-435 (432¾), May 446-446½ (443¼), July 452½-453½, Sept. 465, Dec. 483½, March 499½.

WINNIPEG, January 16. §Barley—March 118.40-118.50 (120.00), May 118.40-118.50 (119.10), July 116.80, Oct. 112.00.

All cents per pound *ex-warehouse* unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). *§ $Can. per metric ton.* §§ $ per 1,000 sq. feet. *‡ Cents per* dozen.

EUROPEAN MARKETS

ROTTERDAM, January 16.

Wheat—U.S. No. 2 Dark Hard Winter, 13.5 per cent, Feb. $195, March $197. U.S. Hard Winter ordinary unquoted. *U.S. No. 2 Red Winter Feb. $194,* March $196. U.S. No. 2 Northern Spring, 14 per cent, Feb. $205, March $207.50, April-May $198, May-June $198, June-July $199.

Maize—*U.S. No. 3 Corn Yellow Jan.* $125.75 traded, afloat $130, Jan. $126.50, Feb. $127.50, March $131, April-June $136.25, July-Sept. $140.50, Oct.-Dec. $144.50 sellers.

Soyabeans—U.S. No. 2 Yellow Gulfports Jan. $263, Feb. $266.75, March $270, April $276, May $278, June $283, July $284.50, Aug. $288.50, Sept. $290, Oct. $291.25, Nov. $290.50, Dec. $297.25, Jan. $301.50, *Feb.* $310, March $313.75 sellers. Brazil Yellow Faq. unquoted. *Argentine May $274.50.*

Soyameal—44 per cent protein U.S. afloat $252.50 traded, afloat $253, Jan. $250, Feb. $245, March $244, April-Sept. $243.50 sellers. Brazil Pellets afloat $269, *March $251, April-May $246,* April-Sept. $251 sellers.

PARIS, January 16.

Cocoa (FFr per 100 kilos)—March 1335-40, May 1325-34, July 1325-55, Sept. 1335-60, Dec. 1335-70, March 1340-75. Sales at call 0.

INDICES

FINANCIAL TIMES

Jan. 15	Jan. 14	M'nth ago	Year ago
298.03	290.44	295.42	262.24

(Base: July 1, 1952=100)

MOODY'S

Jan. 15	Jan. 14	M'nth ago	Year ago
1457.5	1430.8	1244.1	994.5

(December 31, 1931=100)

DOW JONES

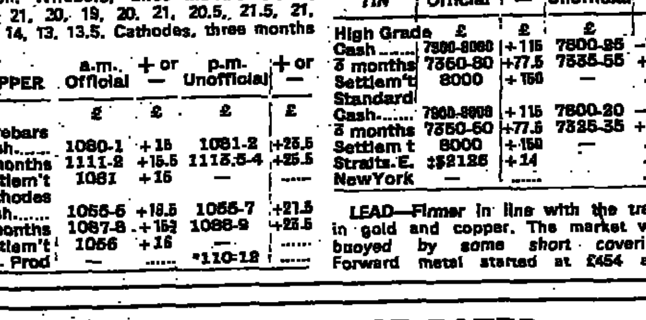
Dow Jones	Jan. 15	Jan. 14	Month ago	Year ago
Spot	420.62	418.87	422.91	377.09
F'tur's	428.13	428.20	429.70	372.52

(Average 1924-25-26=100)

REUTERS

Jan. 16	Jan. 15	M'nth ago	Year ago
1715.2	1706.0	1707.4	1497.0

(Base: September 18, 1931=100)



Euphoric conditions return and equity index jumps 13.8
Gilts rise for eighth day and Golds continue to boom

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Dec. 28	Jan. 10	Jan. 11	Jan. 21
Jan. 14	Jan. 24	Jan. 25	Feb. 4
Jan. 28	Feb. 7	Feb. 8	Feb. 18

* "New time" dealings may take place from 9.30 am two business days earlier.

After Tuesday's setback in equities, euphoria returned to all sectors of stock markets yesterday as the flight from cash into stocks and shares gathered pace. The weight of domestic and overseas investment funds completely nullified adverse factors, which included comment on last month's trade returns and on the unsatisfactory trend in the UK balance of payments.

Leading equities, as measured by the FT 30-share index, staged their biggest rise since last April when the Labour Government was defeated on a no-confidence vote. Gilt-edged securities went higher for the eighth successive session, and South African Gold shares, in another amazing show of strength, surged on with the bullion price.

Potential buyers, particularly the smaller fund managers, who had been holding back in the belief that the current bull market was flimsily based, adopted a herd instinct and entered the market in strength. This created a self-feeding process, especially in the equity sectors where stock shortage was often acute. The upturn continued after the official close and leading shares usually closed at the highest with many showing double-figure gains.

Oils were one of several notable sectors and, although settling a shade below the best, registered rises extending to 16 among the majors and more in secondary stocks. The extent of the overall movement in equities was mirrored by the 30-share index which, after being only 1.4 up at 10.00 am, ended with a jump of 13.8 at 455.5; only ten trading days ago, this measure of the market temporarily slipped below 400.

The tone of British Funds suggested few worries about the possibility of new tap stocks issues tomorrow. The market was initially a shade uncertain with losses approaching ¼, but investors soon regained confidence and quotations moved higher. Longer-dated stocks made the larger gains and the recently-exhausted tap Treasury 14 per cent 1998-2001 rose a point to 100¾, but the shorts were extremely busy.

Despite continued tight conditions in money markets where the temporary release of special deposits made little noticeable impression, falls of ⅛ in the shorts were recovered and replaced finally by improvements of about $\frac{3}{16}$ with the help of considerable foreign investment.

Consolidated Gold Fields again dominated the proceedings in the Traded Option market, contributing 610 trades to a total of 1,198.

Hire purchases good

Hire Purchases featured a firm banking sector with buying on hopes of a reduction in interest rates leading to sharp gains in a thin market. Additionally helped by revived bid hopes, **Lloyds and Scottish** rose 12 to 134p. **FNFC** continued its recent good run with a further rise of 3¼ to 16¼p, after 16¾p. **F.C. Finance** put on 6 to 68p and **UDT** gained 4 to 47p, while improvements of 2 were seen in **Moorgate Mercantile**, 16p, **Sturla**, 13p, and **Wagon Finance**, 36p. The major clearing banks found fresh support ahead of the dividend season due to start next month and closed at the day's best. **Midland** put on 10 to 352p and **Barclays**, 420p, and **NatWest**, 357p, appreciated 8 and 7 respectively. **Royal Bank of Scotland** regained 5 to 87p. Merchant banks were notable for renewed demand for **Hambros** which ended 15 to the good at 305p.

Insurances contributed to the firm trend. Composites closed with gains ranging to 12 as in **Sun Alliance** at 546p, while **Commercial Union** put on 6 to 146p as did **Eagle Star**, to 164p. **Brentnall Beard**, among Lloyds brokers, closed unaltered at 16p; the preliminary results will not be announced tomorrow as wrongly stated here yesterday.

Breweries followed the general upward movement with leaders **Bass**, 205p, and **Guinness**, 190p, improving 4 apiece.

Keen interest in a market none-too-well supplied with stock helped leading Buildings to higher levels. The Timber sector was featured by **Magnet and Southerns** which responded to the increased interim profits with a jump of 18 to 164p. **International** and **Montague L. Mayer** added 3 apiece to 104p and 77p respectively in sympathy. In Cements, **Blue Circle** put on 12 to 276p and **RMC** 4 to 140p on investment demand. Buyers came for **Heywood Williams**, up 7 to 80p and **Manders**, which revived with a gain of 8 to 156p. **Countryside** firmed 4 to 74p, after 75p, in response to the higher annual profits and the capital proposals.

ICI rose 11 to 378p on persistent demand, while **Fisons** added 8 to 297p. **Allied Colloids**, however, shed 10 to 126p, after 122p, on the sharply reduced half-yearly profits.

Kitchen Queen rally

Technical factors again helped leading Stores which closed with improvements ranging to 8. **House of Fraser** closed that much higher at 124p on rumours that Lonrho is on the verge of selling its near 30 per cent stake in the company or may be about to bid for the outstanding 70 per cent it does not already own. **British Home** also firmed 8, to 254p, as did **Gussies "A,"** to 388p. **Marks and Spencer** added 3 to 90p and **UDS** were similarly dearer at 74p. Down 14 over the previous three trading sessions, **Kitchen Queen** dipped 2 further but closed 4 up on balance at 30p following the company's statement. **B. and Q. Retail** rose 6 to 90p in response to Press comment, while bid hopes helped **Moss Bros.** jump 20 to 283p in a thin market. **B. Paradise** advanced 8 to 30p.

Revived demand in the Electrical sector sometimes found the market short of stock which resulted in fairly substantial rises. **Electrocomponents** advanced 15 to 465p and **Wholesale Fittings** 10 to 450p, while gains of around 8 were marked against **Farnell**, 256p, **Ferranti**, 470p, and **Kode**, 225p. On the other hand, Press comment on recent market speculation about the terms of the much-rumoured bid expected to come from Racal prompted fresh dullness in **Decca**; the ordinary reacted 10 more to 325p and the "A" 13 to 290p. Among the leaders, **GEC** closed 8 higher at 356p, while **Racal** were relatively lively at 204p, up 9.

Engineering leaders were accentuated by stock shortage. **Tubes** advanced 10 to 270p and **GKN** 7 to 267p, while **John Brown** edged up 2½ to 64½p. Selective interest was shown in secondary issues with **Staveley** in demand at 188p, up 8. Renewed support lifted **Babcock** 3 to 112p and left **United Engineering** a similar amount better at 108p. By way of contrast, **Vosper**, a good market of late on compensation hopes, fell 15 to 190p following the announcement that the company had acquired a 51 per cent stake in Hovermarine Transport.

Tate and Lyle rose 8 to 168p, after 172p, in response to the annual profits. Elsewhere in quietly firm Foods, **J. Sainsbury** responded to late buying with a gain of 8 to 313p, while **Associated Biscuit** and **United Biscuits** added 3 apiece to 89p and 87p respectively. **RHM** attracted support and put on 1½ to 46p, as did **AB Foods**, a couple of pence to the good at 91p. In secondary issues, **Amos Hinton** put on 12 to 88p in a thin market as bid rumours revived.

The increased profits and dividend lifted **Trust House Forte** 16 to 158p, after 160p. **Grand Metropolitan**, annual results today, firmed 4 to 145p. Among other Hotels and Caterers, **Reo Stakis** responded to good results with a gain of 7 to 59p.

Misc. leaders rise

Firmer conditions returned to the miscellaneous industrial leaders as renewed demand in a thin market helped quotations close at the day's best. **Glaxo** closed with a rise of 13 to 473p and **Bowater** added 9 to 165p. **Boots** put on 8 to 185p as did **Reed International**, to 188p. Elsewhere, **Thomas French** advanced 10 to 98p in response to the results and **Johnson Matthey** rose 12 to 257p on consideration of further increases in precious metal prices. Press comment helped **Reed Executive** put on 7 to 75p and **Elson and Robbins** a like amount to 88p, while **Letraset** firmed 6 to 141p following increased first-half earnings. **Western Board Mills** hardened 3 to 88p on trading news and **Diploma Investments** jumped 13 afresh to 398p on speculative support. Reflecting recent Press comment, **Pitchley** rose 9 to 230p. **BTR** improved 11 to 319p and **Eastern Produce** 8 to 90p. Bid hopes again bolstered **Extel** which appreciated 5 more to 180p. **National Carbonising** added 8 to 148p on North Sea oil enthusiasm. Following further consideration of the planned redundancies and the Board's profits warning, **Lesney** cheapened a penny more to 27p, while **Mettoy** gave up 3 to 29p in sympathy.

On their oil interests, **Associated Newspapers**, 292p, and **Daily Mail "A,"** 501p, added 8 and 11 respectively. **News International** continued to attract support, at 158p, up 8. Among Paper/Printings, **Associated**, annual results today, eased 3 to 42p. **DRG** became a good market and put on 5 to 99p.

In a virtual one-way business, Properties recorded moderate gains. **Land Securities** firmed 5 to 280p and **MEPC** 3 to 178p, while **Haslemere** put on 8 to 290p. **Stock Conversion's** half-yearly results were deemed slightly disappointing, but the shares rose 4 to 374p. On second thoughts about the interim statement, **Lynton**, at 148p, also improved 4. Other secondary issues attracted buyers, but gains were exaggerated by stock shortage. **Bradford** finished 8 higher at 134p, as did **Laing A**, at 138p. **Property Security and Investment**, half-yearly results tomorrow, added 6 to 148p.

Oils move ahead

The Iranian threat to drastically reduce oil production prompted a strong upward movement in the Oil sector. A big turnover developed in leading and secondary issues and, despite closing a few pence below the best, final gains were substantial. **British Petroleum** rose 16 to 354p and **Shell** 10 to 338p, while **Siebens** featured in the more speculative stocks with a rise of 28 at 506p. **Cluff** rose 20 to 440p and **Lasmo** 16 to 390p, while rises of around 10 were marked against *British Borneo*, 304p, **Tricentrol**, 270p, and **Ultramar**, 430p. **Burmah** rose 8 to 175p. **Premier** were actively traded and finished 4½ to the good at 52½p, after 53½p and **IC Gas** advanced 18 to 673p.

Trusts advanced further on a broad front while, in Financials, stockjobbers **Akroyd and Smithers**, 232p, and **Smith Bros.**, 31p, improved 10 and 5 on the recent increase in trading activity.

Golds below best

The recent high activity in South African Golds reached fever pitch yesterday as the bullion price surged up another $67.50 to close at £755 per ounce—a rise of $154.50 over the past four days.

The latest strength in gold followed the U.S. Treasury Secretary's remarks that U.S. gold sales did not now seem appropriate and also reflected increasing worries over Iran, Afghanistan and Yugoslavia.

Gold shares opened substantially higher and shot ahead during the morning and early afternoon in line with widespread and heavy buying.

However, the subsequent opening of U.S. markets was followed by heavy profit-taking and this sparked off similar sales from London, Johannesburg and Continental operators.

Nevertheles, the Gold Mines index closed with still a rise of 19.1 at 356.1—a jump of nearly 90 points, or 33 per cent, in the last five trading days.

Among the heavyweights, **West Driefontein** and **Free State Geduld** finished £2½ higher on balance at £38 and £27¾, after respective highs of £37¾ and £27¾, while **Western Deep** ended £2 up at £20¾ after £20⅞.

One or two weak spots in Golds included **Hartebeest**, which dropped £1½ to £26½ following the quarterly report, **Libanon**, which fell 50 to 950p, and **Loraine**, which gave up 31 to 350p reflecting the disappointing quarterly profits.

Financials registered strong gains but they, too, came under fairly heavy profit-taking in the after-hours business. In South Africans, "**Amgold**" finished ½ cheaper on balance at £43, after touching £45, but **GFSA** jumped £3½ to £33¾ and "**Johnnies**" £2½ to £28¾.

London Financials were featured by **Gold Fields** which advanced to 482p before reacting to close 8 better at 466p.

Platinums followed the pattern in Golds. **Lydenburg** were finally 28 up at 185p, after 195p, **Rustenburg** 15 better at 300p, after 318p, and **Impala** 10 firmer at 290p, after 305p.

FINANCIAL TIMES STOCK INDICES

	Jan. 16	Jan. 15	Jan. 14	Jan. 11	Jan. 10	Jan. 9	A year ago
Government Secs.	68.52	68.05	67.83	66.80	66.86	65.54	67.81
Fixed Interest	68.85	68.49	68.00	67.58	66.46	66.29	69.95
Industrial	455.5	441.7	445.8	435.2	430.9	425.9	476.9
Gold Mines	356.1	337.0	320.6	294.9	280.5	266.5	149.7
Ord. Div. Yield	7.20	7.41	7.35	7.50	7.56	7.68	6.12
Earnings, Yld. % (full)	17.66	18.39	18.30	18.67	18.82	19.12	16.09
P/E Ratio (net) (*)	6.90	6.70	6.25	6.59	6.54	6.44	8.09
Total bargains	27,000	25,427	26,105	24,058	19,399	18,849	—
Equity turnover £m	—	115.87	127.61	132.07	101.76	93.65	67.17
Equity bargains total	—	17,881	19,129	16,127	14,537	12,312	11,344

10 am 443.1. 11 am 447.1. Noon 449.1. 1 pm 451.7.
2 pm 452.4. 3 pm 453.2.
Latest index 01-246 8026.
* Nil=6.66.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979/80 High	1979/80 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	63.50 (10/12)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (8/5)	64.06 (15/11)	150.4 (28/11/47)	50.53 (6/1/75)
Ind. Ord.	558.6 (4/5)	406.3 (15/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	356.1 (16/1/80)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Jan. 16	Jan. 15
Daily		
Gilt Edged	[illegible]	[illegible]
Industrials	[illegible]	[illegible]
Speculative	122.1	118.1
Totals	98.6	105.6
5-d'y Av'r'ge		
Gilt Edged	152.2	154.6
Industrials	127.2	123.2
Speculative	95.7	81.9
Totals	94.6	90.8

NEW HIGHS AND LOWS FOR 1979/80

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979-80.

NEW HIGHS (113)

BRITISH FUNDS (2)
AMERICANS (1)
BANKS (2)
BEERS (2)
CHEMICALS (2)
DRAPERY & STORES (2)
ELECTRICALS (4)
ENGINEERING (2)
INDUSTRIALS (8)
INSURANCE (1)
NEWSPAPERS (2)
PAPER & PRINTING (1)
SOUTH AFRICANS (5)
TRUSTS (5)
OILS (6)
OVERSEAS TRADERS (1)
RUBBERS (6)
TEAS (2)
MINES (59)

NEW LOWS (11)

BANKS (1)
Commerzbank
STORES (2)
Kitchen Queen Sumrie
ELECTRICALS (1)
Concord Rotaflex
INDUSTRIALS (4)
Burndene Lesney Products
Hill (Chas.) Mettoy
MOTORS (2)
Volvo Appleyard
OVERSEAS TRADERS (1)
Great Northern

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	69	7	12
Corpns. Dom. and Foreign Bonds	17	4	45
Industrials	588	93	722
Financial and Prop.	324	17	157
Oils	25	4	13
Plantations	20	—	8
Mines	89	14	44
Others	80	15	67
Totals	1,212	154	1,068

LONDON TRADED OPTIONS

Option	Ex'rcise price	January Closing offer	January Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP	325	31	6	46	13	—	—	352p
BP	350	17	20	31	5	—	—	"
BP	360	—	—	—	—	42	2	"
BP	375	1	25	20	—	—	—	"
BP	390	—	—	—	—	32	15	"
BP	400	½	—	13	16	—	—	"
Cons. Gold	240	234	—	244	7	—	—	473p
Cons. Gold	260	214	—	224	[illegible]	—	—	"
Cons. Gold	300	174	16	185	—	—	—	"
Cons. Gold	330	144	9	156	—	171	—	"
Cons. Gold	360	114	11	129	1	146	—	"
Cons. Gold	390	84	20	103	15	123	10	"
Cons. Gold	420	54	7	80	9	103	2	"
Cons. Gold	460	16	355	55	107	79	32	"
GEC	300	58	3	72	—	86	—	356p
GEC	330	28	4	48	—	64	—	"
GEC	360	5	19	29	2	46	—	"
Grand Met.	120	27	—	30	1	34	—	146p
Grand Met.	128	19	3	—	—	—	—	"
Grand Met.	138	9	8	—	—	—	—	"
Grand Met.	140	—	—	15	3	19	—	"
Grand Met.	160	—	—	5½	—	12	1	"
ICI	300	78	—	82	—	—	—	375p
ICI	330	48	10	53	25	67	—	"
ICI	360	18	10	30	—	45	—	"
ICI	390	½	10	14	14	27	—	"
Land Secs.	260	27	5	37	—	48	—	280p
Land Secs.	280	6	1	26	14	35	26	"
Land Secs.	330	½	—	11	—	16	—	"
Marks & Sp.	70	22	—	25	5	28	—	90p
Marks & Sp.	80	13	—	16	5	20	8	"
Marks & Sp.	90	3	—	10½	4	13	18	"
Marks & Sp.	100	½	—	5	25	8	—	"
Shell	330	—	—	34	—	47	—	338p
Shell	350	2	6	—	—	—	—	"
Shell	360	—	—	30	6	27	2	"
Shell	390	—	—	16	10	18	6	"
Totals			552		135		134	
		February		**May**		**August**		
Boots	180	11	15	20	10	29	—	184p
Boots	200	2	3	11	—	—	—	"
EMI	110	27	4	—	—	—	—	[illegible]
Imperial Gp.	80	3	8	5½	53	8	56	80p
Racal Elec.	200	16	—	29	1	37	—	202p
Racal Elec.	220	6	2	20	2	27	—	"
RTZ	300	73	4	80	—	101	—	364p
RTZ	330	46	27	64	—	78	2	"
RTZ	360	22	8	45	—	59	2	"
Totals			71		66		60	

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed., Jan. 16, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues., Jan. 15 Index No.	Mon., Jan. 14 Index No.	Fri., Jan. 11 Index No.	Thur., Jan. 10 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	227.69	+1.9	19.13	6.82	6.61	223.47	224.51	220.75	217.56	233.61
2	Building Materials (27)	213.36	+3.2	18.44	7.14	6.96	206.79	207.76	203.80	200.39	207.88
3	Contracting, Construction (29)	340.80	+1.3	27.10	7.11	4.56	336.49	335.71	324.62	319.38	358.09
4	Electricals (15)	586.37	+1.7	13.81	4.24	9.65	576.53	580.68	574.84	567.20	540.01
5	Engineering Contractors (11)	290.51	−0.3	26.69	8.81	4.79	291.36	294.89	287.10	281.44	369.70
6	Mechanical Engineering (74)	159.61	+1.6	21.60	8.12	5.73	157.17	158.15	155.59	153.40	182.47
8	Metals and Metal Forming (16)	157.36	+2.2	21.16	9.65	5.69	154.04	153.62	150.96	149.19	162.59
11	CONSUMER GOODS (DURABLE) (50)	207.29	+2.0	17.22	5.92	7.18	203.14	205.57	202.93	200.62	209.72
12	Lt. Electronics, Radio, TV (15)	283.80	+2.2	13.51	4.59	9.50	277.82	281.97	278.78	276.05	265.48
13	Household Goods (14)	114.53	+1.0	26.43	9.46	4.58	113.37	113.72	114.06	112.83	167.57
14	Motors and Distributors (21)	110.73	+2.0	24.27	8.41	4.86	108.56	109.28	107.07	105.41	120.93
21	CONSUMER GOODS (NON-DURABLE) (173)	223.19	+2.4	17.97	6.75	6.88	217.87	219.37	214.87	211.67	209.22
22	Breweries (14)	265.43	+1.7	16.48	6.59	7.13	260.88	261.87	257.88	256.49	229.64
23	Wines and Spirits (5)	317.61	+1.3	17.09	5.83	7.22	313.65	313.22	308.55	304.05	298.04
24	Entertainment, Catering (17)	308.04	+4.4	17.15	6.41	7.57	295.17	298.50	288.57	288.11	269.35
25	Food Manufacturing (19)	203.44	+1.9	19.92	7.15	6.21	199.70	200.62	197.26	193.84	199.80
26	Food Retailing (15)	318.59	+1.7	12.93	4.45	9.25	313.23	315.19	310.47	302.42	230.71
32	Newspapers, Publishing (13)	424.29	+2.2	23.50	7.08	5.86	415.35	417.11	409.13	399.67	389.48
33	Packaging and Paper (15)	124.73	+3.2	23.81	9.10	5.41	120.80	120.66	118.36	115.12	135.30
34	Stores (43)	216.14	+2.9	14.24	5.26	9.07	210.04	212.10	206.87	204.28	193.90
35	Textiles (23)	133.44	+1.8	27.26	12.14	4.65	131.02	132.74	129.24	128.09	179.64
36	Tobaccos (3)	220.73	+2.6	25.83	10.10	4.37	215.20	217.20	213.56	207.92	237.11
37	Toys and Games (6)	44.82	−1.7	36.52	15.97	3.45	45.60	45.76	45.20	45.63	98.89
41	OTHER GROUPS (98)	200.24	+2.2	15.69	6.71	7.76	195.95	197.94	193.86	191.95	197.29
42	Chemicals (18)	298.37	+2.8	16.32	6.68	7.08	290.19	292.80	288.16	286.74	275.97
43	Pharmaceutical Products (7)	210.68	+2.7	12.09	6.07	10.09	205.13	209.53	204.88	203.95	244.15
44	Office Equipment (6)	107.84	+2.4	18.51	7.82	6.74	105.29	106.74	104.30	104.89	141.23
45	Shipping (10)	424.77	+1.5	12.46	7.60	10.24	418.70	419.62	415.91	411.53	427.81
46	Miscellaneous (57)	235.34	+1.4	16.91	6.70	7.49	232.02	233.55	227.46	222.97	212.55
49	INDUSTRIAL GROUP (493)	224.64	+2.2	17.65	6.70	7.02	219.77	221.41	217.19	214.30	219.20
51	Oils (7)	718.40	+4.0	15.68	6.65	6.89	690.58	684.16	674.03	680.76	585.08
59	500 SHARE INDEX	263.79	+2.6	17.25	6.69	6.99	257.15	258.20	253.50	251.38	242.98
61	FINANCIAL GROUP (117)	191.25	+2.4	—	5.78	—	186.85	188.03	184.25	181.11	172.87
62	Banks (6)	223.51	+2.1	37.21	5.82	3.43	218.83	219.51	214.55	210.59	208.88
63	Discount Houses (10)	237.06	+1.5	—	8.37	—	233.59	232.74	230.19	219.83	214.10
64	Hire Purchase (5)	186.27	+7.6	19.01	5.11	6.66	173.04	177.71	168.65	167.39	164.61
65	Insurance (Life) (10)	157.54	+2.0	—	6.68	—	154.41	156.83	155.22	153.11	136.69
66	Insurance (Composite) (8)	129.15	+3.3	—	7.54	—	125.07	125.72	123.36	121.41	122.01
67	Insurance Brokers (10)	288.27	+1.0	17.30	6.80	8.27	285.34	284.76	279.65	277.08	313.40
68	Merchant Banks (14)	95.24	+1.8	—	6.25	—	93.54	92.24	90.56	89.16	80.61
69	Property (44)	339.44	+1.9	3.88	3.16	36.91	333.23	338.32	330.86	323.68	275.57
70	Miscellaneous (10)	130.93	+3.0	15.78	6.92	8.29	127.11	125.67	123.57	122.64	115.15
71	Investment Trusts (109)	207.60	+1.5	—	5.90	—	204.47	204.98	198.26	195.37	211.25
81	Mining Finance (4)	185.87	+1.8	12.40	4.76	9.79	182.50	180.79	177.82	172.82	110.48
91	Overseas Traders (20)	365.30	+3.7	13.74	6.86	8.78	352.38	348.29	341.67	338.81	328.81
99	ALL-SHARE INDEX (750)	245.89	+2.5	—	6.44	—	239.93	240.81	236.15	233.56	224.56

FIXED INTEREST PRICE INDICES

	British Government	Wed., Jan. 16	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	101.45	+0.08	—	0.45
2	5-15 years	106.85	+0.74	0.95	1.18
3	Over 15 years	113.32	+0.79	—	0.24
4	Irredeemables	134.50	+0.82	—	0.00
5	All stocks	107.04	+0.53	0.23	0.54

FIXED INTEREST YIELDS — British Govt. Av. Gross Red.

			Wed., Jan. 16	Tues., Jan. 15	Year ago (approx.)
1	Low Coupons	5 years	11.94	12.00	9.85
2		15 years	11.94	12.00	11.72
3		25 years	11.94	12.00	12.52
4	Medium Coupons	5 years	14.07	14.15	13.03
5		15 years	13.57	13.69	13.07
6		25 years	13.45	13.56	13.07
7	High Coupons	5 years	14.49	14.58	13.10
8		15 years	14.03	14.16	13.62
9		25 years	13.74	13.84	13.68
10	Irredeemables		10.93	11.02	12.20

		Wed., Jan. 16 Index No.	Wed., Jan. 16 Yield %	Tues. Jan. 15	Mon. Jan. 14	Friday Jan. 11	Thurs. Jan. 10	Wed. Jan. 9	Tues. Jan. 8	Mon. Jan. 7	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	49.92	†14.80	49.83	49.75	49.53	49.26	49.26	49.13	49.12	64.64
16	Investment Trust Prefs. (15)	47.00	14.32	47.00	46.90	46.86	46.49	46.45	46.45	46.45	51.33
17	Coml. and Indl. Prefs. (20)	62.14	14.47	61.89	61.64	61.57	61.32	61.28	61.24	51.24	72.89

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 14p, by post 22p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979-80 high	1979-80 low
LASMO	25p	14	390	+16	398	124
Cons. Gold Fields	25p	12	466	+ 8	482	178
Premier Cons.	5p	11	52½	+ 4½	53½	13
Racal Electronics	25p	11	204	+ 9	276	168½
De Beers Defd.	R0.05	10	480	+ 4	500	332
ICI	£1	10	378	+11	415	314
Lonrho	25p	10	101	+ 6	101	62
Shell Transport	25p	10	338	+10	402	278
First Nat. Finance	10p	9	16¼	+ 3½	16¾	5¼
Harmony Gold	R0.50	9	900	+19	929	265
Imp. Cont. Gas	£1	9	673	+18	673	358
RTZ	25p	9	364	+ 7	364	226
Allied Colloids	10p	8	126	−10	152	68
BP	25p	8	354	+16	406	220½
Dalgety	£1	8	290	+ 5	369	247

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan. 7	Jan. 18	Apr. 10	Apr. 21
Jan. 21	Feb. 1	Apr. 24	May 6
Feb. 4	Feb. 15	May 8	May 19

For rate indications see end of Share Information Service

Stocks to attract money for the call included **Racal, Town and City, Youghall Carpets, Lonrho, Premier Consolidated, BSR, Consolidated Gold Fields, London Trust, Woodside Petroleum, KCA International, First National Finance, Hambros Life, Majedie, NatWest, House of Fraser, Charterhouse, Furness Withy** and **Kitchen Queen. Town and City** and **Loraine** were dealt in for the put, while double options were arranged in **Town and City, Lasmo, First National Finance, Premier Consolidated, Babcock, Lonrho, Consolidated Gold Fields** and **Britannia Arrow**.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	F.P.	—	92	82	Bio-Isi Chem. 10p	88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	BP "New"	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Condor Intl.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Emess Lighting	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Haynes P'blsh'g 20p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Lontrim	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Sel Mkt Tst Prt Red Prf £10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	74	68	Spring Grove 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Wereldhave NV DFl.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price £	+ or −
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Amber Day 10½% Cum. Red. Prf. '99-02	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	B'rnem'th & District W'ter Red. Pref. 1985	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Bristol Waterworks 9% Red. Pref. 1984	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Dundonian 11¼% Cum. Conv. Pref.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Hewitt (J.) 10pc Cum Pref	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Mid-Sussex Water 7% Red. Pref. 1984	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Thorn Elec. 7% Con. Red. End Com Prf 92-99	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price p	+ or −
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Associated British Engineering	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Dundonian	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hammerson Prop. & Inv. Trust	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Pancontinental	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Pilkington Bros	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Wearwell	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. |||| Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 income shares and 10 Capital shares at 125p per unit. † Dealings under special rules.

LEADERS AND LAGGARDS

The following table shows the percentage changes † which have taken place since December 31, 1979, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines index.

Gold Mines FT	+25.75	Motors and Distributors	+ 4.77
Mining Finance	+12.69	Capital Goods Group	+ 4.71
Stores	+ 9.87	Other groups	+ 4.69
Electronics, Radio and TV	+ 8.47	Hire Purchase	+ 4.68
Tobaccos	+ 8.16	Chemicals	+ 4.49
Newspapers and Publishing	+ 8.11	500-Share Index	+ 4.41
Entertainment and Catering	+ 7.94	All-Share Index	+ 4.41
Wines and Spirits	+ 7.00	Building Materials	+ 4.34
Consumer Goods (Non-Durable) Group	+ 6.94	Textiles	+ 4.34
Consumer Goods (Durable) Group	+ 6.70	Merchant Banks	+ 4.22
Insurance Brokers	+ 6.65	Contracting and Construction	+ 3.82
Food Retailing	+ 6.51	Breweries	+ 3.18
Discount Houses	+ 6.51	Insurance (Composite)	+ 2.79
Metal and Metal Forming	+ 6.31	Financial Group	+ 2.46
Investment Trusts	+ 6.22	Office Equipment	+ 1.46
Overseas Traders	+ 6.01	Engineering Contractors	+ 1.28
Industrial Group	+ 5.81	Banks	− 0.68
Pharmaceutical Products	+ 5.72	Oils	− 0.83
Property	+ 5.21	Insurance (Life)	− 1.26
Food Manufacturing	+ 5.01	Shipping	− 1.27
Mechanical Engineering	+ 4.93	Household Goods	− 2.60
Electricals	+ 4.89	Toys and Games	− 4.18
Packaging and Paper	+ 4.82		

† Percentage change based on Tuesday, January 15, indices.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Lloyds Bk. (C.I.) U/T Mgrs. [illegible]

Lloyds Bank International, Geneva [illegible]

M & G Group [illegible]

Midland Bank Tst. Corp. (Jersey) Ltd. [illegible]

Samuel Montagu Ldn. Agents [illegible]

Murray, Johnstone (Inv. Adviser) [illegible]

Nat. Westminster Jersey Fd. Mgrs. Ltd. [illegible]

Negit S.A. [illegible]

Negit Ltd. [illegible]

Pacific Basin Fund [illegible]

Phoenix International [illegible]

Providence Capital Life Ass. (C.I.) [illegible]

Quest Fund Magmnt. (Jersey) Ltd. [illegible]

Richmond Life Ass. Ltd. [illegible]

Rothschild Asset Management (C.I.) [illegible]

Rothschild Asset Mgt. (Bermuda) P.O. Box 664, Bk. of Bermuda Bld., Bermuda [illegible]

Royal Trust (C.I.) Fd. Mgt. Ltd. [illegible]

Save & Prosper International [illegible]

Schlesinger International Mngt. Ltd. [illegible]

Schroder Life Group [illegible]

J. Henry Schroder Wagg & Co. Ltd. [illegible]

Sentry Assurance International Ltd. [illegible]

Singer & Friedlander Ldn. Agents [illegible]

Standard Chartered Intl. Bd. Fd. [illegible]

Stronghold Management Limited [illegible]

Surinvest (Jersey) Ltd. (x) [illegible]

Surinvest Trust Managers Ltd. (x) [illegible]

TSB Unit Trust Managers (C.I.) Ltd. [illegible]

TSB Gilt Fund Managers (C.I.) Ltd. 10 Wharf St., St. Helier, Jersey (CI). [illegible]

Tokyo Pacific Holdings N.V. [illegible]

Tokyo Pacific Hldgs. (Seaboard) N.V. [illegible]

Tyndall Group [illegible]

Unilife Assurance (Overseas) Ltd. [illegible]

Union-Investment-Gesellschaft mbH [illegible]

Utd. Intnl. Mngmnt. (C.I.) Ltd. [illegible]

United States Tst. Intl. Adv. Co. [illegible]

S. G. Warburg & Co. Ltd. [illegible]

Warburg Invest. Mngt. Jrsy. Ltd. [illegible]

Wardley Investment Services Ltd. [illegible]

World Wide Growth Management [illegible]

Wren Commodity Trust [illegible]

هكذا من الأصل

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	47.7	50.5	+0.9	1.99
Abbey Capital	34.9	37.7	+0.4	5.52
Abbey General	45.6	48.8xd	+0.9	6.02
Abbey Gilt & F.I. Tst.	101.5	108.3	+0.1	4.52
Abbey Income	40.7	43.4	+0.5	8.52
Abbey Inst. Bd. Tst.	94.0	98.4	−0.3	5.59
Abbey Inv. Tst. Fnd.	34.4	37.2	+0.2	6.08
Equitas Prop. Trust	67.2	72.7	+1.0	5.79

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	90.2	94.9		13.36

Allied Hambro Group (a)(g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	73.3	78.4	+1.5	6.12
Brit. Inds. Fund	66.7	71.4	+1.0	6.30
Growth & Income	39.3	42.1xd	+0.1	5.99
Elect. & Ind. Dev.	36.1	38.6	+0.7	5.44
Allied Capital	73.2	78.3	+1.3	5.49
Hambro Fund	113.7	122.0	+1.9	6.07
Hambro Acc. Fund	138.8	148.5	+2.7	5.42
Income Funds				
High Yield Fd.	68.0	72.8	+0.5	9.89
High Income	67.2	71.9	+0.9	8.21
A.H. Eq. Inc.	38.7	41.4xd	+0.5	8.43
International Funds				
International	27.8	29.7xd	+0.1	2.70
Pacific Fund	42.9	45.9xd		2.77
Secs. Of America	59.5	63.7	+0.6	2.20
Specialist Funds				
Smaller Co.'s Fd.	45.7	48.9xd	+0.4	4.81
2nd Smlr. Co's Fd.	55.0	58.8	+0.4	4.59
Recovery Sits.	110.1	117.8	+1.2	6.58
Met. Min. & C'dty.	54.9	58.7	+1.5	5.48
Overseas Earnings	56.0	59.9xd	+0.9	5.68
Exempt Funds				
Far East Exempt	51.1	53.3		3.39
Smaller Co. Exempt	70.8	74.3	+0.6	5.25
U.S.A. Exempt	105.7	109.9	+1.2	3.18

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	51.2	55.2		6.20

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-623 6376

Inc. Monthly Fund	142.0	150.0		12.72

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London, EC4R 1BY. 01-236 5281

High Yield	40.7	43.9xd	+0.3	11.46
(Accum. Units)	65.3	70.5	+0.6	11.46
Extra Income Fd.	93.5	101.7	+0.6	10.67
(Accum. Units)	101.2	110.1	+0.7	10.67
High Inc. Fund	36.6	39.8	+0.4	9.41
♦(Accum. Units)	54.8	59.6	+0.5	9.41
(8½% W'drwl. Uts.)	48.3	52.4	+0.5	9.41
Preference Fund	20.8	22.9xd		14.50
(Accum. Units)	37.1	40.8xd		14.50
Capital Fund	21.7	23.4xd		
Commodity Fund	70.7	77.9		3.66
(Accum. Units)	107.0	116.6		3.66
(10% W'drwl. U.)	56.6	61.6		3.66
Fin.&Prop.Fd.	19.4	20.9		5.25
Giants Fund	35.8	38.6xd	+0.6	4.55
(Accum. Units)	44.8	48.3xd	+0.5	4.52

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Dis. Inc. Jan. 10	183.9	190.0		6.21

E. F. Winchester Fund Mngt. Ltd.
40, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	16.8	18.6xd		6.24
Gt. Winchester O'seas	19.6	21.0xd		2.52

Emson & Dudley Tst. Mngmnt. Ltd.
28b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	69.6	74.4		6.80

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	72.8	76.6	+1.2	5.27

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	26.6	28.0	+0.8	1.0
Fixed Interest	25.0	26.3		12.7
Growth + Income	28.2	29.7	+0.4	8.20
Special Sits.	27.6	29.1	+0.6	3.00

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	27.1	29.1	+1.0	2.10
Accum. Units	32.9	35.4	+1.3	2.10
J. Finlay High Income	32.1	34.9	+0.3	9.89
J. Finlay Euro. Fin.	23.2	24.9	−0.3	3.56
Accum. Units	28.7	30.8	−0.3	3.58
J. Finlay Fd. In. Tst.	30.6	32.9	+2.0	5.37
Accum. Units	36.9	39.7	+2.2	5.37

Prices on Jan. 16. Next dealing Jan. 23.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American	53.2	56.4		1.38
American Turnaround	52.6	55.8		2.00
Capital Tst.	50.6	53.8	+0.4	5.04
(Accum. Units)	50.6	53.8	+0.4	5.04
Income Tst.	35.8	38.0	+0.2	8.63
Int. Growth Fd.	42.8	45.4	+0.4	2.22
(Accum. Units)	45.0	47.8	+0.4	2.22

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	47.5	50.8	+0.6	5.01
Do. Accum.	65.5	70.0	+0.8	5.01

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Jan. 4	103.4	104.9		6.53
Gross Inc. Jan. 4	69.8	70.5xd		11.77
High Yield Jan. 4	80.6	82.5		10.42

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Income	108.8	115.7		3.50
Do. Acc.	135.1	143.7		3.50
G.T. Inc. Fd. Un.	170.4	181.2		8.40
G.T. U.S. & Gen.	146.7	156.0		2.30
GT Wld. Bd. Fd.	99.7	102.5		5.30
G.T. Japan & Gen.	72.8	73.9		2.70
♦Gt. Pens. Ex. Fd.	236.4	248.1		2.30
G.T. Int'l. Fund	168.6	179.3		2.00
G.T. Four Yds. Fd.	45.6	48.5		9.10
G.T. Far East & Gen.	51.3	55.3		3.30

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood. (0277) 227300

G. & A.	35.2	37.4	+0.6	5.53

Gartmore Fund Managers♥ (a)(g)
2 St. Mary Axe, EC3A 8BP 01-623 6114
Dealing only: 01-623 5766/5806

American Trust	28.7	30.9xd	+0.9	0.88
British Tst. (Acc.)	58.6	63.0	+1.1	4.67
Commodity Share	38.8	41.7	+1.4	3.79
Extra Income Tst.	21.8	23.5	+0.3	9.96
Far East Trust	32.7	35.2	+0.4	3.16
High Income Tst.	53.8	57.8	+1.1	10.55
Income Fund	73.3	78.8	+2.8	7.47
Ins. Agencies	£14.26	15.22xd	+0.21	4.56

ManuLife Management Ltd.
St. George's Way, Stevenage. 0438 56101

Growth Units	62.1	65.4		4.30

Mayflower Management Co. Ltd.
14-18, Gresham St., EC2V 7AU. 01-606 8099

Income Jan. 7	96.6	101.7		9.81
General Jan. 7	65.5	69.0		6.80
Intnl. Jan. 7	42.8	45.1		3.63

Mercury Fund Managers Ltd.
30, Gresham St., EC2P 2EB. 01-600 4555

Merc. Gen. Jan. 16	53.2	56.6		6.30
Acc. Uts. Jan. 16	72.7	77.3		6.30
Merc. Int. Jan. 16	72.5	77.1		5.13
Acc. Uts. Jan. 16	81.5	86.7		5.13
Merc. Ext. Dec. 27	254.4	265.0		6.30
Accm. Units Dec. 27	318.2	331.5		6.30

Midland Bank Group
Unit Trust Managers Ltd.♥ (a)
Courtwood House, Silver Street, Head, Sheffield, S1 3RD. Tel: 0742 79842

Commodity & Gen.	85.3	92.2	+1.9	4.51
Do. Accum.	104.0	112.2	+2.3	4.51
Overseas Growth	34.0	36.7	+0.4	3.32
Do. Accum.	38.0	41.0	+0.5	3.32
Capital	26.4	28.5xd	+0.5	5.39
Do. Accum.	30.4	32.8	+0.5	5.39
Income	53.2	57.3	+1.1	7.36
Do. Accum.	65.5	70.6	+1.4	7.36
North American	36.2	39.1	+0.3	2.93
Do. Accum.	39.6	42.8	+0.3	2.93
High Yield	58.0	62.5	+0.7	9.56
Do. Accum.	67.4	72.6	+0.8	9.56
Equity Exempt*	104.3	110.0		6.52
Do. Accum.*	107.1	113.0		6.52
Japan & Pacific	35.4	38.3	−0.2	1.27
Do. Accum.	35.8	38.7	−0.1	1.27

*Prices at Jan. 11. Next dealing Jan. 18.

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4R 9BH 01-623 1050

Minster Jan. 14	36.3	38.3		7.64
Exempt Dec. 31	94.2	98.2		6.84

Stewart Unit Tst. Managers Ltd.(a)
45, Charlotte Sq., Edinburgh. 031-226 3271

†Stewart American Fund				
Standard Units	61.2	65.2		1.82
Accum. Units	67.3	71.8		1.82
Withdrawal Units	43.7	46.6		—
*Stewart British Capital Fund				
Standard	149.8	160.5		5.60
Accum. Units	170.1	182.4		5.60

Dealing †Tues. & Fri. *Wed.

Sun Alliance Fund Mngt. Ltd.
Sun Alliance Hse., Horsham. 0403 64141

Exp. Eq. Jan. 9	£243.00	255.80		5.82
♥The Family Fd.	112.0	119.1	+1.4	4.69

Target Tst. Mngrs. Ltd.♥(a)(g)
31, Gresham St., E.C.2. Dealings: 0296 5941.
19, Athol Crescent, Edin. 3. 031-229 8621/2

Commodity	52.2	56.4	+1.3	3.20
Financial	70.3	76.3	+1.2	4.61
Gilt Accum.	123.8	130.0	+0.6	3.50
Investment Trust	31.5	34.1	+0.2	4.36
Special Situations	21.2	22.9	+0.3	6.51
American Eagle	29.8	32.2xd	+0.2	1.92
Pacific Income	23.0	24.9		2.63
Pacific Accum.	26.2	28.3		2.63
Income	24.8	26.8	+0.1	10.99
Extra Income	54.6	59.0	+0.5	11.41
Preference Share	11.4	12.6xd	+0.1	13.54
Equity	39.6	42.8xd		6.76
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		"Shorts" (Lives up to Five Years)				
99⅜	95⅞	Treasury 9pc 1980‡‡	99⅛	......	9.08	16.00
99⅝	95¹³⁄₁₆	Treasury 9½pc '80‡‡	98⅛	+⅛	9.69	15.37
97	92¼	Treasury 3½pc '77-80	96⅝	......	3.62	12.07
97⅜	92⅞	Funding 5¼pc '78-80‡‡	96⅞	......	5.42	13.19
103⅝	97½	Exchequer 13pc 1980‡‡	98¹³⁄₁₆	+⅛	13.14	14.20
102⅛	95⅝	Treasury 11½pc 1981‡‡	97¹⁄₁₆	+⅛	11.79	14.17

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Israelis worried by U.S. overtures to Arab world

BY DAVID LENNON IN TEL AVIV

ISRAEL has been startled and worried by U.S. statements that the best way to help over the current crisis in the region is to move towards a resolution of the Palestinian issue.

The American remarks are seen here as an intensification of pressure on Israel to make more concessions in the negotiations with Egypt on Palestinian autonomy for the occupied West Bank of the Jordan and in the Gaza Strip.

Professor Yigael Yadin, the Deputy Prime Minister, yesterday cautioned the U.S. against trying to win friends in the Arab world by applying pressure to Israel. He said it was a serious error to link the autonomy talks with the crises in Iran and Afghanistan.

Mr. Cyrus Vance, the U.S. Secretary of State, has declared that, in the wake of the crisis in the region, the U.S. will have to strengthen its standing in the Arab world and speed up the resolution of the Palestinian problem. Mr. Samuel Lewis, the U.S. Ambassador in Tel Avis, has been quoted as bluntly telling an Israeli questioner that the best thing Israel can do to help the U.S. is to move further and faster on the Palestinian issue.

Mr. Lewis stresed that Israel can play no useful military role as long as the Palestinian problem remains an impediment with the pro-western Arab states.

The erosion of Israel's standing in Washington has begun to worry the Israeli Government which believed that the turmoil in the region would make the U.S. regard Israel as a strategic asset.

The latest American moves reaffirm the impression gained from Washington's refusal last month to increase aid to Israel for the next fiscal year. It also follows the discovery that U.S. military aircraft have been exercising in Egypt without prior notice being given to Israel.

Officials in Jerusalem were yesterday speaking ruefully about the lack of co-ordination with Washington, but refrained from open criticism pending guidance from Mr. Menahem Begin, the Prime Minister, who has not reacted publicly to the new American pressure.

L. Daniel adds: Israel's cost of living index rose by 8.1 per cent in December, bringing the total rise for 1979 to 111.4 per cent. The figure was warmly welcomed in Jerusalem, since it was less than the increases for the previous two months.

The change is ascribed to the credit squeeze introduced by Mr. Yigal Hurwitz, the recently appointed Finance Minister, as well as to his policy of slashing the budget in real terms, which involves a lay-off of workers in the public sector.

A large part of the 1979 increase in the cost of living index was due to the abolition of food subsidies and periodic increases in the cost of Government services, plus the jump in the cost of fuel, which boosted transport, electricity and production costs.

David Lennon reports on unrest in an area looking to closer links with Egypt

Islam and Communism clash in Gaza

AN EXPLOSION of violent Islamic fundamentalism in the occupied Gaza Strip has added a new element to the confusion among the population over the Egypt-Israel peace treaty.

Rioting religious extremists last week destroyed shops and restaurants selling alcoholic drinks, vandalised cinemas seen as a source of Western secular influences, and gutted the headquarters of the Palestinian Red Crescent Society, which is a stronghold of the Communist movement in the strip.

This outburst of Ayatollah Khomeini-style religious intolerance caught many people unawares, including the Israeli military administration, which at first treated the violence as a very limited local dispute. The authorities said that it was only after rampaging by the religious zealots continued daily, that they realised the outburst was not spontaneous, but had been well-planned in advance by militant religious students.

The violence has taken on all the attributes of an open feud between the religious and Leftist forces in the overcrowded sandy strip along the Mediterranean coast.

The violence was sparked off by a Communist attempt to oust the religious director of the El-Azar Islamic college. But its roots lie deeper in the frustration and uncertainty among the Gaza Strip's 420,000 residents about their political future.

This uncertainty was emphasised at the Aswan summit meeting between the leaders of Egypt and Israel last week when President Sadat suggested that if agreement could be reached on Palestinian autonomy it should first be implemented in the Gaza Strip.

Egypt ruled Gaza for 19 years until Israel occupied it in 1967, and Egyptian influence is still deep. Over 60,000 former inhabitants have moved to Egypt and become Egyptian citizens. Thousands of students travel from the strip each year to universities in Egypt.

But the rise of Palestinian nationalism in the past decade has made a deep impression in the strip, half of whose population are refugees from other parts of Palestine. Until Israel crushed the resistance in the early 1970s. Gaza was the most violent place under Israeli rule.

The Palestine Liberation Organisation appears to be the dominant political force in the Gaza Strip. Its rejection of the Israel-Egypt peace treaty and

the proposed autonomy for the West Bank and Gaza is echoed by most local leaders.

The most prominent leader, Mr. Rashad a-Shawa, the mayor of Gaza, is considered to be more inclined towards a solution involving Jordan, but he too is an outspoken critic of the autonomy proposals, which he rejects as offering nothing to the Palestinians.

One prominent figure who did speak out in favour of the peace treaty and a possible resumption by Egypt of the administration of Gaza, was the Imam, Sheik Hassem Huzander, who was stabbed to death a few months ago.

It is the likelihood that the Imam was killed by Leftist-Nationalist forces which some see as accounting for the current attacks on the Red Crescent. That organisation is headed by Dr. Haidar Abdel Shafi, a Communist who is generally regarded as the leading PLO spokesman in the strip.

But despite the opposition to autonomy, many people in Gaza believe that the beginning of normal relations between Egypt and Israel will strengthen their links with Cairo.

A businessman who formerly ran the bus service from Gaza to Cairo has just ordered five new buses from West Germany so that he will be ready to reopen the route. Another has taken care to renew his concession for the distribution of Egyptian papers in Gaza, which he held until 1967. Other businessmen have been making agency arrangements for marketing Israeli goods in Egypt.

The pro-Egyptian mood appears to be on the rise, though still far from really challenging the dominance of the PLO. However the battles between the Moslem fanatics and the Leftist forces may erode the position of the PLO, thus justifying President Sadat's belief that Egyptian influence in Gaza is sufficiently strong to permit the implementation of autonomy in Gaza first.

● Egypt yesterday rejected Israeli proposals offering limited powers for an autonomous Palestinian council on the West Bank of Jordan and in the Gaza Strip and said they contradicted the Camp David accords. Speaking to reporters after two hours of negotiations by working groups in Cairo, Egypt's chief delegate said the Israeli proposals offered only administrative powers. The accords called for full autonomy with legislative, executive and political powers.

Carrington visits refugee camps on Afghan border

BY DAVID PALMER IN ISLAMABAD

LORD CARRINGTON yesterday invited the world's Press to accompany him on a drive through the Khyber Pass to Pakistan's border with Afghanistan.

His intention was to project on the world's television screens as dramatic a picture as he could of the West's response to the Russian invasion of Pakistan's northern neighbour.

At an Afghan refugee camp, the British Foreign Secretary expressed the Western world's anger and concern to the refugees' tribal elders. It was a day when television diplomacy mixed in almost equal doses with nostalgia and pathos.

At the border, Lord Carrington was garlanded with marigolds just a few feet away from the Afghan frontier guards. Forty-three miles down the road, Russian troops are encamped in the town of Jalalabad.

In the afternoon Lord Carrington was engaged in the main purpose of his visit—to project the plight of the 435,000 Afghan refugees in Pakistan into the world's living-rooms.

While the cameras focused on the Pathan tribesmen's brown wrinkled faces wrapped up in grey beards and dark turbans, Lord Carrington's host, General Fazle Haq, Governor of the North-West Province, patiently translated their replies to his questions.

But it was one of the General's sotto voice asides to Lord Carrington that most clearly spelt out the plight of these refugees. They were asking for help from the West, the General explained to Lord Carrington.

Then he quietly turned to the Foreign Secretary and added in an undertone: "They want to be armed, which we (the Pakistanis) dread."

No single remark could more clearly underline Pakistan's dilemma as it tries to modulate its political response to the Russian invasion of its northern neighbour, while maintaining its credentials as a member of the non-aligned and Islamic movements.

Mrs Gandhi to hold defence post

By K. K. Sharma in New Delhi

MRS INDIRA GANDHI, the Indian Prime Minister, has kept the key defence portfolio for herself in a further distribution of portfolios announced yesterday.

Rather than expand immediately the Cabinet announced earlier this week, Mrs. Gandhi has preferred to share out the portfolios to which no Ministers were appointed when the Government assumed power on Monday. Thus the important Ministry of Industry will be handled by Mr. K. Venkataraman, the Finance Minister, while petroleum will be the charge of Mr. P. C. Sethi, the Works and Housing Minister.

This is obviously a temporary arrangement for the new Parliament's brief two-week session, beginning next Monday.

Reuter adds: A visit to India by Mr. Andrei Gromyko, the Soviet Foreign Minister, which was expected to take place later this month, has been postponed.

Fraser joins Ohira in condemning Moscow

BY PATRICIA NEWBY IN CANBERRA

JAPAN expects to make a decision on retaliation against the Soviet Union's invasion of Afghanistan within a fortnight, Mr. Masayoshi Ohira, the Prime Minister, said here yesterday.

Speaking at a Press conference at the end of his first day of talks with Mr. Malcolm Fraser, Australia's Prime Minister, Mr. Ohira said he could not be specific on the type of sanctions Japan might impose.

In a joint statement both Prime Ministers deplored the Soviet Union's intervention and called on Moscow to cease forthwith its military activities in Afghanistan.

The two leaders also called for the release of U.S. hostages in Iran. Mr. Ohira said Japan expected to be asked by the U.S. very soon to co-operate and support its actions by placing economic sanctions on Iran.

According to senior Australian Government officials the two leaders discussed ways of securing the Pacific region in view of the world situation. Mr. Ohira said he had taken note of Australia's request that Japan should held the newly independent nations of the south Pacific with aid and development projects.

Mr. Ohira said his view of a Pacific basin community would be a loose association of countries wishing to co-operate economically and culturally rather than politically or militarily.

Energy featured largely in the talks, according to officials. The meeting is expected to have smoothed the way for Japanese investment in Australia's non-oil energy resources including uranium and steaming coal.

Although no agreements are to be signed during Mr. Ohira's visit, talks between the two leaders are expected to lead to the early completion of an agreement on nuclear safeguards to enable Japan to import Australian uranium. Cheaper air fares between the two countries, a science and technology agreement, and cultural accords are also likely.

OPEC plans to increase aid by $1.6bn

VIENNA — Twelve Finance Ministers of the Organisation of Petroleum Exporting Countries who met here yesterday were expected to approve a large increase in aid to the developing world.

Chaired by Mr. Abdel Rahman Al-Atiqi, the Kuwaiti Finance Minister the meeting is expected to allocate an extra $1.6bn to the OPEC Special Fund, the development arm of the oil producers' group. The Iranian delegation did not attend the meeting.

The $1.6bn aid boost, which will bring the Special Fund's total assets to $4bn, is proposed as "a transitory and urgent measure of financial co-operation with other developing countries."

Longer-term ideas, such as transforming the Special Fund into a separate development agency or a development bank with favourable lending terms, were also scheduled to be discussed, but no decisions were expected.

Reuter

World Bank chief planning four-day visit to Tanzania

BY OUR DAR ES SALAAM CORRESPONDENT

MR. ROBERT MACNAMARA, president of the World Bank, is about to pay a four-day visit to Tanzania, which is in the throes of its worst economic crisis since independence.

Mr. Macnamara, who arrives in Dar es Salaam on Saturday, is expected to have talks with President Julius Nyerere on Tanzania's urgent need for large-scale balance of payments support.

New financial assistance from western governments is being withheld following a row between Tanzania and the International Monetary Fund last November.

Tanzania's economy has suffered over the last three years from declining prices for its exports, from successive oil price rises, from drought which has affected agricultural production and from the cost of the war in Uganda.

Imports have been heavily pruned (oil products now account for nearly 50 per cent of imports against 10 per cent in 1972) but there is currently a backlog on commercial debt of some $200m. The Uganda war is estimated to have cost $400m.

In November, an IMF team recommended a three-year package which was believed to include devaluation, hefty cuts in Government spending and an end to Government price controls as an inducement to peasant farmers to produce more.

The IMF left for Washington without an agreement. Dr. Nyere, in a New Year speech, attacked the fund's conditions as unwarranted meddling in Tanzania's internal affairs. He called for a change in the organisation's management and structure.

Tanzanians point out that despite acknowledged problems, the economy has shown a 5 per cent growth in Gross National Product over recent years and that the debt servicing ratio, at 9 per cent, is low compared to many developing states. They argue that the IMF failed properly to take into account Tanzania's special circumstances.

AMERICAN NEWS

Slight rise in U.S. industrial production

By David Buchan in Washington

INDUSTRIAL production in the U.S. rebounded slightly last month, rising 0.3 per cent and reversing output declines of 0.3 per cent and 0.1 per cent in November and October respectively.

The small December gain lent weight to a recent estimate by the Commerce Department's chief economist that the U.S. economy, goods and services together, grew 2 to 3 per cent in real terms in the final quarter of 1979.

This has not negated the Administration forecast that the U.S. is in for a short and mild *recession this* year. Despite the overall December gain in the industrial production index, which measures output of factories, mines and utility companies, the car sector slumped again last month, with produc*tion down to an annual rate of* 6.8m units. This was 6 per cent less than in November, and the decline over 1979 of cars and car parts was more than 20 per cent.

Higher petrol prices have *been the major cause of the* car sales and production decline, though a 5.3 per cent fall in sales by U.S. car manufacturers in the first ten days of January, 1980, compared with the same period last year, was *less than many analysts* predicted.

The downturn in house building also continued last month, with the output of construction supplies falling 0.4 per cent from November and recording a 1.7 per cent drop over the year. The tighter monetary policy of the Federal Reserve Board from last autumn has fed through into higher mortgage interest rates.

The industrial production in*dex stood last month at 152.2*—1967 is the base year—and output was only 0.3 per cent above the December, 1978, level. It was thus the most sluggish production year since the 1974 recession. Sectors which rose *last month were business equip*ment, defence equipment, and consumer non-durable goods such as food and clothing.

Carter's popularity slides

By Our Washington Correspondent

HALF the American public supports President Jimmy Carter's steps against the Soviet Union over the invasion of Afghanistan, but another third wants even tougher action. The President's *handling of* the foreign policy crises has begun this month to slip, in the public estimation.

These are some findings from a New York Times/CBS opinion poll conducted between January 9 and 13 and released yesterday. It also shows an apparent decline in public approval of Mr. Carter's handling of the confrontation with Iran, the initial boost to Mr. Carter's much improved standing in the polls last month. There is still no sign of a break in the deadlock over the U.S. hostages, now *in their* third month of captivity in Tehran.

Equally interesting is the poll's finding that 46 per cent of those interviewed want higher defence spending by the U.S., and only 14 per cent want *less. Public* approval of Mr. Carter's overall conduct of the Presidency stood at 52 per cent in the new poll, the highest level since the September 1978 Camp David accords, but lower than his popularity rating as *recorded* by Gallup polls last month.

CIA *report*

WASHINGTON—The U.S. Central Intelligence Agency estimated in a report released on Tuesday that the Soviet Union spent the equivalent of $165bn on defence last year, about 50 per cent more than the United States.

Britain to send ambassador to Santiago

BY DAVID TONGE

THE BRITISH Government announced yesterday that it is to restore ambassadorial relations with Chile. The last British *ambassador was withdrawn* from Santiago in December, 1975 in protest at the torture of Dr. Sheila Cassidy, a British surgeon. The British Export Credits Guarantee Department has also just released details of *its first two major lines of* credit to Chile since 1972.

The announcement about the ambassador was made in a written answer in the House of Commons. It comes as the U.S. is retreating from a confronta*tion with Gen. Pinochet*, leader of the Chilean junta, over the Chileans' refusal to extradite three senior Chilean security officials to face charges of organising the murder of a Chilean exile in Washington.

Dr. Cassidy . . . tortured

Labour Members of Parliament have been bitterly critical of suggestions that an ambassador should be sent to Chile, just as they were two months ago about the Conservative Government's decision to exchange ambassadors with Argentina.

While there have been serious abuses of human rights and killings in both countries, for Britain the case of Chile has been complicated both by the torture of Dr. Cassidy and the "*disappearance*" in 1974 of a second British subject, Mr. William Beausire.

The Conservatives had been expected rapidly to move to exchanging ambassadors with Chile, but when Sr. *Hernan Cubillos*, the Chilean Foreign Minister, visited London in September, Lord Carrington, the British Foreign Secretary, asked for details about Mr. Beausire. He also inquired what the Chileans were *doing about extraditing* the security officials to the U.S.

Last month Britain voted in favour of the UN General Asembly resolution condemning the continuing violation of human rights in Chile. While the *last* British Government supported the isolation of Gen. Pinochet, the present one *argues that British interests* are not being served by the absence of a British ambassador. It also argues that an ambassador could stress British concerns over human rights.

Britain does not consider the *case of Dr. Cassidy as closed*, and is pressing for continuing investigations into the fate of Mr. Beausire. It has no plans at present to end a ban on arms sales.

Critics of an exchange of ambassadors *with Chile fear that* the British decision may boost Gen. Pinochet's domestic standing — as did his success in calling America's bluff when it was threatening reprisals if the three security officials were not extradited.

The ECGD credits in question are two separate $5m lines of credit for general purposes from Lazard Brothers and N. M. Rothschild. The decision to restore Chile to full ECGD cover was made last year. The two credits are the first *for* terms longer than six months since there were *defaults* under the Allende Government in 1972.

CAB proposes lifting of fare restrictions

BY IAN HARGREAVES IN NEW YORK

THE U.S. Civil Aeronautics Board is to propose a major price liberalisation for domestic air services, and is pushing for significant changes in air price policy in transatlantic services before air service talks *start* between Britain and the U.S. later this month.

The domestic *proposals* are the result of a policy study within the board which officials describe as the most important step since Congress passed the Airline Deregulation Act just over a year ago.

Under the Congress legislation, air fares should be deregulated by 1983, but the board's study *suggests* lifting price restrictions on a number of categories of domestic services in the interim.

The board will take a formal position on the study within a few weeks, but is expected to accept its main recommendations.

The first proposal would give large airlines operating short-haul routes of less than 400 miles the freedom to vary fares according to the time of day and day of week. Commuter airlines operating small aircraft on a limited number of routes already have this freedom, and the study argues that it should be extended to the larger carriers. Since deregulation a number of big carriers have pulled out of loss-making commuter routes. United Airlines, for example, has scrapped its entire commuter network.

In some cases this has allowed commuter airlines to charge higher than reasonable fares and in other cases has led to a loss of service, particularly in California, officials say.

The second proposal is partially to deregulate other long-haul domestic air fares by removing constraints on downward price-cutting while giving the airlines the freedom to increase fares above existing ceilings on 20 per cent of inter-city traffic.

From the airlines' point of *view*, this would allow more rapid fare increases to take account of soaring fuel costs.

The CAB has proposed that Britain and the U.S. set a long-term goal of moving to a system whereby airline price proposals *could only be vetoed by agree*ment of both governments. The U.S. has such an agreement with Belgium.

CAB officials hope that Mrs. Margaret Thatcher's interest in improving competitiveness in air transport *will enable* the renegotiation of the Bermuda Two air services agreement to proceed more harmoniously than before.

The Americans will also seek an increase in the number of cities *linked* by U.S.-British flights, the freedom to put extra U.S. carriers on routes currently limited to one carrier from each nation and a relaxation of British restrictions on charter flight tickets covering minimum stay periods and prebooking requirements.

WORLD TRADE NEWS

U.S. wins concessions in textiles accord

By Philip Bowring in Hong Kong

AFTER SEVERAL months of difficult talks, the U.S. has persuaded Hong Kong to accept changes in their bilateral textile agreement.

These will further restrict the entry of Hong Kong garments into the U.S., particularly of "very sensitive" cotton items *such as* shirts and jeans. The new agreement will cut quota availability by about 30m square yards compared with a total quota — including that in little-used categories — of around 1bn square yards a year.

The new restraints seem to have been forced on Hong Kong as a result of political pressures for protectionism which have been felt by the Carter Administration.

The restraints are regarded as highly significant, however, for several reasons.

They are seen as seriously damaging the whole notion of bilateral restraint agreements. In 1977 the U.S. and Hong Kong negotiated a five-year pact under the provisions of the GATT-sponsored Multi*fibre Arrangement (MFA)*.

Exporters had expected that restraint agreements, however unpalatable to them, would at least provide security and a known basis for trade. The U.S. threatened to abrogate the *bilateral* agrement if Hong Kong did not agree to changes

The MFA expires at the end of 1981, and the U.S. move will affect the attitude of other importers as the time for renegotiation draws closer.

It is widely feared here that the European Community, in *particular*, will use the U.S. action as an excuse for a more protectionist attitude of its own

The U.S. action is also regarded as damaging because it affects the one area in which export*ing countries thought they* had gained a little ground during the last MFA negotiations. That was the ability of exporters to "swing" a portion of unused quota from one category of product in which a nation had an unused quota into another where it *had* insufficient quota to meet demand. This "swing" has been reduced from 7 per cent of most categories to 5 per cent.

AP-DJ adds from Washington: Mr. Reiter Webb, the U.S. textile negotiator, said that U.S. textile and apparel industries generally are satisfied with the new import restrictions. He said the U.S. will hold similar negotiations with South Korea and Taiwan within the next month on new restrictions to hold down textile and apparel exports from these countries in 1980.

Businessmen flock to Rhodesia

BY MARK WEBSTER IN SALISBURY

AN 11-MEMBER British Trade mission arrived here yesterday as a growing number of overseas businessmen visit the country to assess the market potential after 14 years of international sanctions against Rhodesia.

Also in the country is an eight-man West German trade team organised by the Africa Association and representing interests in minerals, meat and shipping. A six-man French *group is expected at the end of* this week.

The British mission, organised by the Confederation of British Industry, is the second major UK trade team to visit the country since sanc*tions* were *lifted* in *late* December. A seven-man "pathfinder" mission from the Institute of Directors left Salisbury last weekend after visiting local industries and talking to senior Rhodesian Government *officials*.

During its 10-day visit, the CBI team will also tour factories *and farms and* will make a trip to Bulawayo, the second largest city and a major industrial centre.

Businessmen here say that more interest has been shown in buying Rhodesian goods than in selling to the Rhodesian market. While sanctions were in force, alternative outlets had to be found for Rhodesian tobacco, beef and sugar cane; now they can again be traded openly on world markets.

The likelihood that foreign exchange will remain tight for some time yet means that importation of goods will probably be concentrated on the replacement of outdated capital *equipment for industry* rather than consumer items.

But as well as the private sector, there is a substantial public sector investment programme on the cards which could get under way in the very *near future*.

It includes a Rhodesian $495m (£325.6m) power station for Wankie and the electrification of the Salisbury-to-Gwelo railway line at a cost of R$80m. Over half the cost will *go to buying imported* locomotives.

John Wyles in Brussels adds: Rhodesia has been granted special access to EEC markets for the remainder of this year *following* its return to the legal status of a British colony.

Temporary trade permission was requested by the UK and confers compara*ble access for* Rhodesian agricultural and industrial products to that *enjoyed* by overseas territories of other Community members.

But the measure did not pass through the Council of Ministers *without strong* anxieties being expressed by Italy about the possible impact of Rhodesian tobacco imports on its own tobacco trade. The Commission noted that if Italian tobacco was damaged then the *Commission* would act.

The decision is expected to be endorsed by the European Parliament on Friday.

South Africa car sales increase

BY BERNARD SIMON IN JOHANNESBURG

SOUTH AFRICAN car sales were the highest last year since 1975, according to figures released by the National Association of Automobile Manufacturers. Nonetheless, the industry's 12 manufacturers are estimated to have lost between R50m and R60m (£32m) in 1979.

Sales of cars totalled 233,270 vehicles last year, about 4 per cent higher than in 1978. The increase in commercial vehicle sales, however, was only 1.8 per cent, to 100,809 units.

Sigma Motor, which assembles Mazda and Peugeot models, was the leading car manufacturer with sales of 48,006 vehicles. Next were Volkswagen and Ford.

Leyland South Africa's car sales dipped sharply, from 8,162 in 1978 to 3,570 last year, mainly as a result of disruptions caused by an aborted merger with Sigma and the withdrawal *of several models from the* market. Leyland's commercial vehicles fared better, however, with the market share for heavy vehicles falling only slightly from 9.7 per cent to 8.4 per cent.

Despite the relatively small increase in total sales last year, demand for motor vehicles has picked up appreciably in recent months. Car sales in the last quarter of 1979 were up nearly 9 per cent, and commercial vehicle sales by 20 per cent.

The high cost of fuel in South Africa has prompted a sharp swing to smaller models. Small and medium-sized cars accounted for just over a quarter of the market in 1975. The proportion had risen to 44 *per cent last year, and the* motor industry expects their market share to increase further to 50-55 per cent this year. Several new compact models are due to be released soon.

ECGD claims may reach £236m

BY MAURICE SAMUELSON

CLAIMS ON the Export Credits Guarantee Department (ECGD), which insures overseas trade and investment by British business, could reach at least £236m in the current financial year, more than £100m higher than last year's previous record level.

The ECGD's new estimate largely reflects difficulties in Iran, Turkey, Nigeria and Zambia. The ECGD's original estimate for claims in 1979-80 had been £90m, but the Trade Department has now authorised its estimate of an additional £146m which will have to be paid to insurers.

The ECGD suspended cover on trade with Iran *during the dis*turbances which led to the Shah's downfall. So far this year, the ECGD has confirmed that claims connected with Iran have reached £30m, and another £30m are in the pipeline. The total is expected to reach more than £130m by the end of the financial year.

Besides expecting to pay out more on claims, the ECGD has also been recovering more from outstanding debts. Last year's 64 per cent leap to £43.7m is expected to be followed by *another large increase this year.*

In order to meet the estimated claims, the ECGD is expected to have to draw on its reserves of some £500m. Income from premium payments last year was about £100m when for the first time claims exceeded *premium* income by a significant amount.

Claims have been rising for the past five years and are currently running at about 8,000 a year.

Italy chemicals deficit doubled

BY RUPERT CORNWELL IN ROME

THE UNDERLYING problems of the Italian chemical sector have been highlighted by a doubling of the country's foreign trade deficit on chemical products last year.

Figures from the national statistics institute INSTAT, covering the first 11 months of 1979, show that the deficit rose to L2,026bn (£1.12bn) from L945bn in the same period of the previous year.

Between January and November 1979, imports jumped 49 per cent to L5,707bn, while exports advanced only 28 per cent to L3,681bn. The biggest single import category was plastics and synthetic resins, followed by pharmaceutical products and paints and enamels.

The deficit on chemicals is testament to the failure of Italian industry to carry through an effective recovery programme after the damage wrought by the so-called "chemical" war of the 1960s and early 1970s between the major groups. Headlong expension led to a series of heavy losses later in the decade.

The L2,026bn deficit compares with one of L3,017bn for Italian trade as a whole in the first 11 months of last year. Chemicals are the third biggest item on the deficit side of the balance sheet after oil and energy products, and foodstuffs.

Japanese in dilemma over Iran sanctions

By Richard C. Hanson in Tokyo

U.S. PRESSURE to impose sanctions against Iran has presented Japan with an extremely awkward dilemma. On the one hand, Japan feels compelled to maintain a united front with America in its efforts *to* free the embassy hostages in Tehran. On the other, Japan considers the maintenance of its economic ties with Iran to be vital—at present Iran supplies about 13 per cent of Japan's oil imports.

Taking advantage of his country's leverage with Japan, the Iranian Oil Minister, Mr. Ali Akbar Moinfar, issued the *direct threat of an oil cut-off* through Japan's ambassador to Tehran just one day before a special U.S. envoy, Mr. Philip C. Habib, arrived in Tokyo to press the sanctions issue.

The talks between Mr. Habib a former U.S. Under-Secretary of State, and the Japanese Government are unlikely to produce any solid results. This is underscored by the fact that Japan's Prime Minister and Foreign Minister are away touring Australia, while the Minister of International Trade and Industry is on a goodwill visit to South East Asia.

The temporary stand-in for the MITI Minister, Mr. Keijiro Shoji (who heads the Economic Planning Agency), *yester*day indicated a strong reluctance to take steps which would prompt the Iranians to stop shipping oil. While it is "natural" for Japan to back up the U.S., it is "totally inconceivable" that the flow of oil from Iran can be stopped, Mr. Shoji said.

The Japanese Government has already asked the U.S. to exempt from the proposal economic sanctions *the huge* petrochemical complex which Japan is building in co-operation with Iran.

Japan has about 20 projects at stake in Iran, representing more than yen 500 bn in investment and finance. There are also more than 30 joint ventures worth *more than yen 20bn*. If these were to be halted, the Japanese Government would take a huge loss on the insurance it has extended for the projects.

Japan feels particularly vulnerable to the threat of a cut-off in Iranian oil. This is in part because Japan now buys directly from Iran nearly all the oil which just 12 months ago was channelled through the major oil companies.

A group of Japanese companies earlier this month signed an agreement to import 530,000 barrels per day of Iranian crude this year. The loss of this oil would immediately deprive Japan *of* more than 10 per cent of its supplies.

News Analysis ● **John Lloyd** examines the European TV tube industry

Mullard counters Japan challenge

THE ANNOUNCEMENT earlier this week by Mullard, the UK TV components subsidiary of Dutch Philips, that it would rationalise production at its TV tube plants in the north east, is further indication of steps being taken by the European TV industry to compete on equal terms with Japan.

The need to set the industry's house in order is underscored heavily this year as the PAL licences, which have allowed European makers to keep out *Japanese tubes and sets of* over 20 inches, run out.

Something of a watershed in the Japanese takeover of the electronics market in the UK was reached two years ago when Hitachi, one of the most successful companies and the *world's* biggest TV tube manufacturer, attempted to set up a TV plant in Britain only to find the UK manufacturers close ranks against it. One reason given for their (successful) opposition was the *damage* the company would inflict on UK tube production.

It was a scarcely frivolous reason. Hitachi *had* recently taken a 20 per cent interest in the Finnish company Valco, which has a capacity of *nearly* 1m tubes a year. It was supposed that Hitachi would build up to an output of 300,000 sets a year in the UK. Many of these would displace UK manufacturers' products and Hitachi *sets would* use Valco tubes, hence, the UK tube industry would suffer.

Further, the UK industry had seen the closure of the Thorn tube plant at Skelmersdale in January, 1977, with the loss of *1,600 jobs. It could thus make* a good protectionist argument against Hitachi (which responded by coming in the back door and making a joint production agreement with the General Electric Company), and *while doing so, vowed to support* Mullard, the only remaining tube manufacturer, by sourcing more tubes from it.

Industry observers now say that since then, the good intentions have become somewhat *diluted, and Japanese tubes* are being favoured once more. This is especially the case in sizes of less than 20 inches, where the writ of PAL licensing system does not *run*.

The reasons given are the *accustomed ones of price* and, to a decreasing extent, quality although UK quality in both components and finished sets is generally recognised as improving

Protectionism is, however, *generally recognised to be at* best of short-term assistance. Mullard's move to greatly increased automation — it is in the second stage of a £24m investment programme — is the immediate cause of the redun*dancies, and it finds parallels* throughout Europe as set makers attempt to find, in leaness and toughness, a true antidote to the Japanese.

Philips is the largest European tube maker, with plants in *France (Dreux), West Germany* (Aachen), Austria (Lebring), Italy (Monza), Spain (Barcelona), and Holland (Eindhoven and Stadskanaal). It has a further two in Brazil and Taiwan. The investment flowing *in to Mullard is part of an all-*European programme: the labour will be shaken out all over Europe too.

Europe's major test will come as the PAL licences run out this year. In theory, that will open *the door to Japanese (or any* other) tubes of all sizes. The European industry is bracing itself for a further round in the battle: Mullard's moves this week were part of that.

Diana Smith in Brasilia and **Francis Ghiles** in London on the impact of the Brazil*i*an finance minister's departure

Netto secures still greater power

THE RESIGNATION of Sr. Karlos Rischbieter as Brazil's *Finance Minister on* Tuesday came exactly five months after Sr. Mario Henrique Simonsen walked out of his job as Planning Minister—the key position in the Administration, co-ordinating all economic policies.

Sr. Simonsen's place was taken by Sr. Antonio Delfim Netto, who immediately began accumulating power to decide *economic policy at the expense* of other ministries.

The idea behind these shifts in ministerial emphasis was to grant Sr. Netto the means to combat Brazil's inflation, then threatening to rise to 50 per cent a year. But from the moment Sr. Netto moved in from the Agriculture Ministry, he and Sr. Rischbieter crossed swords.

The problem appeared to be irreconcilable differences in style. Sr. Netto is of a school that prevailed in the early 1970s: a brilliant technocrat who surrounds himself with equally-clever men bent on taking control of things as far as possible. As Finance Minister in 1968-74, the era of *the "economic miracle,"* Sr. Netto had to meet little criticism from colleagues and the media. Today the Press is much freer, and the national mood one of greater soul-searching.

Sr. Rischbieter took this change of climate to heart. Before he took office last March he expressed concern at Brazil's *lopsided income distribution. In* office he introduced tax and financial reforms that, he hoped, would lead to more equitable treatment and streamline the banking system.

But as time passed Sr. Rischbieter voiced feelings—first off the record and later on—that Brazil's economic development plans might need serious rethinking.

After the annual inflation rate climbed above 77 per cent and the trade gap last year widened to $3bn, Sr. Rischbieter gambled on being the voice of realistic doubt. Ostensibly moved by a need to warn the public of greater difficulties to come, he even suggested that if the existing economic team *could not soon lower inflation*, it should resign.

Sr. Rischbieter's public musings then grew more candid, and culminated last week in an assertion that Brazil might face a $4bn trade gap in 1980. Sr. Netto promptly counter-attacked, adamantly stating that the problems were being exaggerated. He called Sr. *Rischbieter's calculation of the* 1980 trade deficit "an idiocy." It was the last straw for Sr. Rischbieter. He demanded a *retraction of the insult*, and none was given.

Previously Sr. Netto had extracted price control power from the Finance Ministry and blacked Sr. Rischbieter's *reforms proposing a capital gains tax, stiff death* duties and banking reforms to make the Central Bank the sole monetary authority. The Bank was sharing this status with the Bank of Brazil.

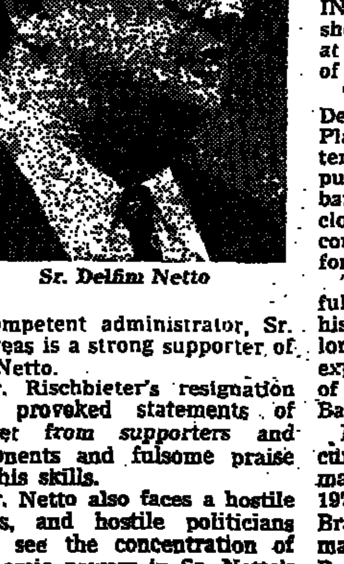
Sr. Netto had tried to hurry through a Government run commodities brokerage trading company which went against the grain of Sr. Rischbieter's *efforts to bring the private* sector more actively into important sectors of the economy. Sr. Netto also assumed control of ministers' spending. Finally, in Sr. Rischbieter's understanding he had called him an idiot. Sr. Netto subsequently insisted he meant that the trade deficit estimate, not Sr. Rischbieter, was "idiotic."

In his letter of resignation to President Figueiredo Sr. Rischbieter wrote: "I consider it my duty to express to your Excellency the feeling that the continuation of my presence as Finance Minister creates impediments to the unity of orientation of economic policy."

With Sr. Rischbieter returning to *Parana state, Sr. Netto* has to all intents and purposes no further impediments to his style of economic administration. It is almost certain that the next incumbent of the Finance Ministry will be Sr. Ernane Galveas, now President of the Central Bank. Apart from being a competent administrator, Sr. Galveas is a strong supporter of Sr. Netto.

Sr. Rischbieter's resignation has provoked statements of regret *from supporters* and opponents and fulsome praise for his skills.

Sr. Netto also faces a hostile press, and hostile politicians who see the concentration of economic powers in Sr. Netto's hands as a threat to political liberalisation.



Sr. Delfim Netto

Bankers unperturbed by resignation

INTERNATIONAL BANKERS showed little surprise yesterday at Tuesday night's resignation of Sr. Karlos Rischbieter.

The disagreements between Sr. Delfim Netto, the powerful Planing Minister, and the Minister of Finance have been well publicised for some months, and bankers *who monitor Brazil* closely expected Sr. Netto to come out on top in view of his forceful personality.

The same bankers also express full confidence in Sr. Netto and his team's ability to act as overlords of Brazil's economy, and expect him to appoint a member of this team to run the Central Bank.

Brazil has the largest hard currency debt in the world, estimated at $49bn at the end of 1979. Just to service this debt Brazil will need to raise an estimated $8.5bn this year. The Brazilian Government has estimated that it will need to borrow $15bn in 1980.

Last year the country raised a total of $6.7bn on international capital markets, a figure second only to the volume of funds raised by Mexico ($8.3bn) and the U.S. ($8.2bn).

Virtually every bank in the West which has any international activity to speak of has lent money to Brazil: the whole banking system is thus well and truly "locked into" the country and any difficulties over loan repayments would have widespread reverbations.

The outlook for Brazil's debt is not rosy. Recent estimates publishe dby the Getulio Vargas Institute in Brazil suggest the country's debt service burden as a percentage of its exports could rise to over 70 per cent by 1985.

But much depends on the price the country will have to pay for its oil and the success of its export programme. Brazil has virtually no crude oil resources of its own.

INDUSTRIALS—Continued

INSURANCE

INSURANCE—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

FINANCE, LAND—Continued

OIL & GAS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

MINES—Continued

CENTRAL AFRICAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
375	97	Coronation	375	+35	Q54c	2.2	8.2
640	132	Falcon Rh.50c	640	+40	Q100c	ϕ	10.8
48	11	Rhod'n Corp. 16⅔p	42	......	0.56	6.5	1.9
260	70	Roan Cons. K4	250	+15	Q0.125	ϕ	3.0
67	26	Wankie Col. Rh.1	64	+2	Q9c	1.5	9.7
57	9	Zam.Cpr.SBD0.24	51	......	—	—	—

AUSTRALIAN

TINS

COPPER

160	56	Messina R0.50	160	+3	Q10c	ϕ	3.6

MISCELLANEOUS

81	54	Barymin	64	+2	—	—	—
14½	10	Burma Mines 17½p	12	......	—	—	—
425	170	Cons. Murch. 10c.	425	+25	Q100c	ϕ	13.5
585	280	Northgate C$1	570	−15	—	—	—
364	226	R.T.Z.	364	+7	†11.5	3.4	4.5
31	12	Robert Mines	22	−1	—	—	—
65	26	Sabina Inds. C$1.	37	+1	—	—	—
880	470	Tara Expln. $1	515	−25	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distributions and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♦ Excluding a final dividend declaration.
- ✱ Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. R Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

"Recent Issues" and "Rights" Page 34

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	26	......
Bertam	16	......
Bdg'wtr. Est. 50p	365	+5
Clover Croft	50	+3
Craig & Rose £1	£10½	......
Dyson (R. A.) A	9	......
Fife Forge	39	......
Finlay Pkg. 5p	19	......
Graig Ship. £1	825	......
Higsons Brew	80	−2
Holt (Jos) 25p	255	......
I.O.M. Stm. £1	162	......
Pearce (C. H.)	370	+10
Peel Mills	32	+2
Sheff. Refrsbmt	98	......
Sindall (Wm.)	165	......

IRISH

Conv. 9% '80/82	£85⅝	......
Nat. 9¾% 84/89	£70⅝	+⅛
Fin. 13% 97/02	£84⅝	−⅛
Alliance Gas	67	......
Arnott	340	......
Carroll (P.J.)	52	−1
Clondalkin	85	......
Concrete Prods.	80xd	......
Heiton (Hldgs.)	32	......
Ins. Corp.	200	......
Irish Ropes	66	......
Jacob	53	......
T.M.G.	125	−10
Unidare	80	......

OPTIONS

3-month Call Rates

Industrials

A. Brew	8
BOC Intl.	6
B.S.R.	5
Babcock	12
Barclays Bank	30
Beecham	13
Blue Circle	25
Boots	17
Bowaters	16
B.A.T.	25
Brown (J.)	7
Burton 'A'	22
Cadburys	5½
Courtaulds	8
Debenhams	8
Distillers	21
Dunlop	5½
Eagle Star	14
E.M.I.	12
Gen. Accident	21
Gen. Electric	30
Glaxo	40
Grand Met	12
G.U.S. 'A'	30
Guardian	23
G.K.N.	22
Hawker Sidd	16
House of Fraser	12
I.C.I.	22
"Imps"	7
I.C.L.	45
Inveresk	5
KCA	3½
Ladbroke	15
Legal & Gen.	14
Lex Service	10
Lloyds Bank	24
"Lots"	3½
London Brick	6
Lonrho	9
Lucas Inds.	30
"Mams"	14
Mrks. & Spncr	9
Midland Bank	30
N.E.I.	5
Nat. West. Bank	32
P & O Dfd.	9
Plessey	10
Racal Elect.	20
R.H.M.	4½
Rank Org.	18
Reed Intnl.	17
Sears	5½
Spillers	4½
Tesco	7
Thorn	25
Trust Houses	14
Tube Invest.	27
Unilever	40
U.D.T.	4
Utd. Drapery	9
Vickers	14
Woolworths	6½

Property

Brit. Land	7
Cap. Counties	9
Land Secs.	25
MEPC	17
Peachey	13
Samuel Props.	12
Town & City	2

Oils

Brit. Petroleum	28
Burmah Oil	15
Charterhall	6½
Premier	4½
Shell	28
Ultramar	32

Mines

Charter Cons.	18
Cons. Gold	48
Rio T. Zinc	35

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Thursday January 17 1980

Soviet threat drives EEC to seek closer Yugoslav link

BY JOHN WYLES IN BRUSSELS

FEARS for European security following the Soviet invasion of Afghanistan are driving the European Community to seek closer links with Yugoslavia, Turkey and the Gulf states.

This emerged yesterday in the wake of Tuesday's meeting at which EEC foreign ministers condemned the Soviet attack and broadly supported U.S. agricultural trade sanctions. American spokesmen here expressed satisfaction with the EEC efforts and also with the outcome of coincident talks at the NATO Council.

In Strasbourg, the European Parliament last night voted its condemnation of the Soviet invasion, and urged the governments of the Nine to examine further sanctions against Moscow.

It still remains to be seen how far the Nine will follow the U.S. down the sanctions path by curbing, for example, high technology exports and export credits for the Soviet Union.

But a more specifically European reaction to events in Afghanistan was evident in a new determination among the foreign ministers to try to break through long-standing obstacles to trade and political agreements with countries of immense strategic importance to Western Europe.

The first test of whether this political will can be translated into detailed agreement will come with Yugoslavia, which was the subject of the most surprising decision taken on Tuesday.

Ministers were undoubtedly spurred by anxieties about the consequences of President Tito's serious illness and agreed to aim for a rapid conclusion of negotiations on a new co-operation agreement which have been dragging on for nearly two years.

So far the Nine have failed to produce acceptable proposals because each has reservations aboutt he possible effects of giving Yugoslav industry and agriculture access to the EEC. Yugoslavia for its part wants an agreement which offers a real prospect of reducing its balance of trade deficit with the EEC, which approach $3bn last year.

Ministers startled Commission officials by aiming for a negotiating breakthrough before their next meeting on February 4.

Permanent officials are to be given fresh instructions so as to improve the Commission's negotiating mandate, and agreement is now a top priority.

Herr Hans Dietrich Gensher, West Germany's Foreign Minister, implied yesterday in an interview that a fresh approach to Turkey could also be expected.

Turkey was one of the first countries to sign an association agreement with the Community in the early 1960s. Her relations with the EEC have languished in the past few years under the impact of domestic economic and political crisis and the EEC's reluctance to make desired concessions.

But foreign ministers are now showing willingness to respond positively to the request of Mr. Suleyman Demirel's Government for a revival of progress towards mutual tariff reductions and enhanced political co-operation.

Ministers also endorsed Herr Genscher's request for a report to their next meeting on the possibilities of launching proposals for co-operation with the Gulf states

On matters directly affecting relations between the Nine and the Soviet Union, the EEC is to examine possible restrictions on export credits. Mr. Thomas Enders, the newly-arrived U.S. ambassador to the Community, signalled in a speech here yesterday that U.S. pressure will mount for a withdrawal of preferential or government assisted credits to Russia.

Yugoslavia—a tough nut for Russia, Page 22

U.S. deadline for Olympic boycott

BY DAVID BUCHAN IN WASHINGTON

A U.S. GOVERNMENT boycott of this summer's Moscow Olympic Games is highly likely if the Soviet Union has not curtailed its military activities in Afghanistan by the middle of next month, Mr. Cyrus Vance, the Secretary of State, warned yesterday.

Mr. Vance disclosed the mid-February deadline in a rare newspaper interview, in which he said that President Jimmy Carter shared his opposition to U.S. participation in the Moscow Games while Soviet troops were still ocupying Afghanistan. American athletes would follow their Government's line, he believed.

The State Department underscored Mr. Vance's words, but refused to say publicly what the Russians had to do to avoid a U.S. boycott. All the Department would say was that an Administration decision by the middle of next month would hang on a mix of factors, including Soviet conduct in the meantime and consultations with U.S. allies.

In a number of public pronouncements this week about the Afghanistan crisis and its wider implications, top officials have indicated their belief that the U.S. and the West can influence Soviet behaviour in Afghanistan, as well as containing Soviet designs beyond that country.

The Kremlin had badly miscalculated both the difficulty of military operations inside Afghanistan and the world reaction, said Mr. Marshall Shulman, the State Department's top Soviet expert. The suggestion—not however widely shared here—is that Western pressure could force Moscow to reconsider and withdraw.

In his interview with the New York Times, Mr. Vance raised the prospect of a new U.S. security strategy for the Middle East and Persian Gulf regions, in precisely the same terms as Mr. Zbigniew Brzezinski, the national security adviser, had done earlier in the week.

Victor Mackie adds from Ottawa: Mr. Joe Clark, the Canadian Prime Minister, has disclosed that the Canadian Ambassador to Ireland recently met Lord Killanin, the international Olympic Committee president, to urge him to consider another site for the Olympics.

Mr. Clark told an election meeting that he is trying to persuade Lord Killanin to change the site to protest against the invasion of Afghanistan by the Soviet Union.

Meanwhile the presidents of both the Canadian and the U.S. Olympic Associations said yesterday that the Games could still be pulled out of Moscow, despite repeated denials by Lord Killanin.

Soviet ships bid to rush through U.S. grain, Page 2

Axing of 250 quangos will save £11.6m

BY ROBIN PAULEY

THE GOVERNMENT is to abolish nearly 250 quangos—quasi autonomous non-governmental organisations — at a saving of £11.6m a year. Stringent guidelines will be introduced to make it more difficult for quangos to be formed.

The Prime Minister presented the White Paper on non-departmental public bodies to Parliament yesterday and indicated in a written answer that the Government accepts all its recommendations.

The White Paper is the result of work undertaken at Mrs. Thatcher's request at the end of the summer by Sir Leo Pliatsky, former Permanent Secretary at the Department of Trade, to see whether quangos could be reduced.

The result shows that although each Minister and Permanent Secretary was asked to examine the need for each quango in his area of responsibility the great majority—1,800—are to survive. They include all the 20 largest executive bodies which account for 87 per cent of the expenditure.

O fthe 1,561 advisory bodies 211 will be wound up, although the White Paper acknowledges that in some cases the savings will be negligible. In addition 30 of the 489 executive bodies will be abolished or rationalised and five judicial bodies will go.

The cuts will mean the loss of 2,050 jobs. There will be a reduction of 3,700 (14 per cent) in the number of public appointments.

The White Paper says the executive bodies alone cost nearly £5.8bn and had 217,000 staff. In addition Government departments spent £24m in their sponsoring capacity.

The report's main point is to recommend a revision of policy about the setting up of quangos in the future. The principle of hiving off should end and any new advisory committee should have a specific responsibility or a limited period of operation, it says.

This would prevent quangos from outliving their useful function. An example is the Irish Pensions Appeal Tribunal, which still exists to consider appeals from citizens of the Irish Republic about First World War pensions. Its disappearance in the near future will save £6,000 a year.

The Manpower Services Commission and Housing Corporation are quoted as examples where "the advantages of the arm's length relationship (from a Government department) have been accompanied by transitional difficulties of control and accountability." The 300 advisory committees created by the commission could be reduced to 88 by reorganisation.

Before any further bodies are established, departments should consult the Treasury and the Civil Service Department on the method of operation and secure suitable safeguards on the use of public money involved, the White Paper says.

The Comptroller and Auditor General should have the right of access to the books of all future fringe bodies which were not primarily of a commercial character—those with more than 50 per cent of their finance in non-recoverable terms from the taxpayer.

* *Report on non-departmental public bodies. HMSO. £5.75.*

Editorial Comment, Page 22; Parliament, Page 8

Iran prepared to halve oil output

By Simon Henderson in Tehran

IRAN IS prepared to drop oil production to about 1.5m barrels a day, less than half present levels, if Western Europe and Japan impose economic sanctions in support of U.S. pressure to release the American hostages in Tehran.

The warning, by Mr. Ali Akhbar Moinfar, the Oil Minister and head of the National Iranian Oil Company, made clear the extent to which Iran is prepared to retaliate against sanctions.

Mr Moinfar said the significance of the figure of 1.5m barrels a day was that this level of production allowed for enough associated gas to be produced to satisfy local consumption, with a reasonable margin for export. Iran's domestic requirement for oil is only 1m b/d.

The admitted implication of this "worst case" figure for production was that gas exports to the Soviet Union, the country which vetoed this week's United Nations Security Council sanctions resolution, would be reduced.

In a wide ranging Press conference Mr. Moinfar also made the following points:

● The demand that the Soviet Union must pay more than four times the present price for gas sent along the IGAT-1 pipeline to the southern Soviet republics is retroactive to the time of the revolution nearly a year ago. The added cost is estimated to be almost $1bn.

● The future of the $3.3bn Iran-Japan petrochemicals works on the Gulf coast at Bandar Khomeini, in which Mitsui has a major interest, will be decided when the Japanese Government announces its attitude to economic sanctions. Iran is prepared to go ahead without Japan if necessary and has already had talks about assistance with some Eastern European countries.

● In the latest incident of sabotage in the southern province of Khuzestan, a 12-inch crude oil pipeline between Ahwaz and the Abadan refinery was blown up on Tuesday.

● Iran's production is running at between 3m and 3.5m b/d, almost half the pre-revolutionary figure, but because of increased prices it brings in about the same revenue. Last week Mr. Moinfor said this amounted to $1.6bn per month.

Apart from 1m b/d contracted for Western Europe and Japanese companies, another 1m b/d is being sold to other countries. Moer than 50 companies from 30 countries have already signed agreements for Iranian crude the Minister said. Although details of volumes used to be given, he said they were now secret.

Japanese dilemman over sanctions, Page 4

THE LEX COLUMN

Fragile recovery at T & L

Index rose 13.8 to 455.5

The gilt-edged market looked ready for a correction yesterday, but sterling assets are still in strong demand internationally, and there is a distinct shortage of sellers at present levels. Investors in equities seem terrified of missing out on a bull market and have now bid the All-Share Index up 9.2 per cent since January 3.

Tate and Lyle

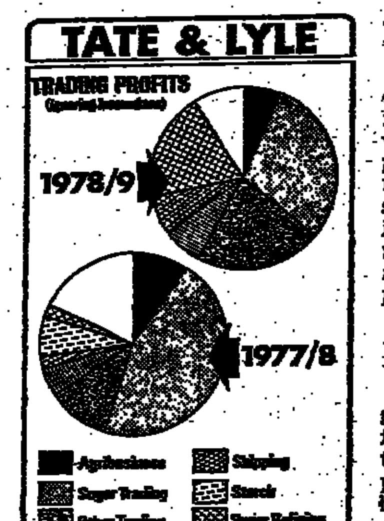
After a £7.7m favourable movement in exceptional items, largely on the sale of African Products, Tate and Lyle's pre-tax profits emerge £1.6m higher at £26.2m for the year to September. Trading profits are down from £36.4m to £30.1m, by no means a disappointing result, considering the absence of the African earnings and the dull world sugar market which held back commodity trading, except in molasses.

Most pleasingly, the return on the UK refining business has improved considerably following the shutdown of excess capacity. And the balance sheet is a good deal healthier: net debt, thanks to disposals and working capital control (reflected in another high tax charge), is down to £98m from £115m. It will rise again in the current year, but the immediate balance sheet pressures have abated.

Considerable problems remain, however. The current cost accounts show a £4.4m attributable loss, and many of the sources of earnings are unreliable. Last year, for instance, foreign exchange management alone added £2m to trading profits, and this year's profits will depend very much on whether the more volatile conditions seen in the sugar market over the last few months continue. The EEC sugar regime negotiations are crucial for the group—if the beet lobby succeeds in maintaining existing quotas at the expense of cane imports, T and L will be faced with the need to cut refining capacity further.

The interest burden will be heavier in 1979-80, but most of the basic businesses look set to do as well as last year or slightly better. Garton's starch and the U.S. sugar interests have been labouring under the very low prices imposed by the leading companies in their respective markets — Cargill and Amstar now seem to be easing the pressure, which should allow T and L to eliminate its losses in these divisions.

Whether or not T and L's 1979-80 pre-tax profits, ignoring exceptional items, turn out at around £24m (against £20.3m) or a few million higher is largely in the hands of the commodity traders. The rot looks to have been stopped at T and L, and a fragile recovery may be under way, but the shares — yielding 9 per cent at 168p — are probably high enough for the moment.



THF

With the strong pound, raised tariffs, foul winter weather on both sides of the Atlantic, recurring petrol scares and the grounding of the world's DC10 fleet in the peak summer months, 1979 was hardly expected to be a vintage year for the hotel industry. So the 23 per cent rise in pre-tax profits at Trust House Forte to £68.2m is an impressive performance: a dividend increase of nearly 50 per cent looks even better, and the shares rose 16p to 158p where they yield 7½ per cent.

The group's strategy of going for European and Japanese tourists to replace American visitors is now paying off handsomely. Some strain has still emerged in London, where occupancy rates fell about 10 per cent in the second half. It was a different story in the provinces —which represents 73 per cent of the group's UK hotel capacity—where occupancy rates have risen 1 per cent over the year. At the same time THF has made its higher room tariffs stick, with a 17 per cent increase in average achieved rates.

The U.S. performance has been disappointing, but there should be some recovery in the present year, as Americans adjust to the new energy price levels. The group should be well placed to take advantage of the growth in European tourism across the Atlantic.

The current year will not be easy, but THF has proved its resilience in recent years, and with net liquid funds of £60m-plus—comfortably above its market-related debt—is insulated against high UK interest rates. The year's pre-tax profits could be in the £80m region, giving a fully-taxed prospective p/e of under 9.

Letraset

Letraset's established graphics business continues to flourish, but its recent acquisitions have not put up an impressive performance in the first half of 1979-80. Group profits are up from £5.2m to £6.3m pre-tax, and the disappointment is an initial contribution of just £1.4m before finance costs from Stanley Gibbons, which cost about £18½m (including nearly £13m in cash). Although there has been a roaring market in busted bonds, trading in UK stamps has been less buoyant—and that accounts for about a third of Gibbons' stamp business. Things should pick up a bit in the current half, though, thanks to the initial sales from the Marc Haas collection.

The toys business has also been dull, but graphics sales have risen a tenth and margins have held firm despite the strength of sterling. Currency swings will bite again in the current half, limiting the rise in overall profits from £10.5m to, say, £12.3m. The prospective yield is 7½ per cent and the p/e on average capital and a lowish tax charge is roughly 8.

Citicorp

In deciding to raise £50m through the issue of a Eurosterling bond, Citicorp is using a large toe to test uncharted waters. The Eurosterling sector has been closed since last summer and only one other bond of this size—that for GEC last March—has ever been floated. The Citicorp issue is the first since the abolition of exchange controls. The coupon of 13½ per cent for ten years compares with last night's yield on a ten year gilt of 14 per cent. So the lead managers Credit Suisse First Boston are relying on the premium which Eurosterling bonds traditionally derive from being bearer instruments with gross coupon payments.

Continued from Page 1

Platform

Bechtel Great Britain has been awarded the project services contract. Vetco Offshore will design the well system.

Contracts are being negotiated with Brown and Root (UK) for the design of the platform and production facilities, and Vickers Offshore, a British Shipbuilders subsidiary, as sub-contractor designers of the hull and mooring system; and with Lloyds Register as the certifying authority.

Up to now medium and large oil fields in the North Sea have been exploited by means of steel or concrete platforms fixed to the seabed. These cannot be used in very deep, rough waters.

Conoco said there was little difference between the cost of a conventional platform and a tension leg platform needed for the Hutton development. But the tension leg platform had the advantage that it can be easily removed at the end of the field's producing life—in 15 to 20 years. It can also be renovated, modified and used again on another field.

The Hutton Field lies in 485 ft of water, shallow enough for a fixed platform to be used. Conoco said, however, that the water was deep enough for a tension leg platform to work while being shallow enough for divers to assist in installation if this proved necessary.

As such Hutton could prove to be a test site for the system which might later be employed in much deeper waters on the UK Continental Shelf.

An advantage claimed for the new platform over conventional fixed steel platforms is that the installation will be less vulnerable to weather conditions.

Bank in big reshuffle at the top

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

MAJOR CHANGES in the way the Bank of England is organised are to be introduced. This will involve the first big reshuffle of senior Bank officials since the early 1970s and will mean the appointed of a new deputy governor and a new signature at the bottom of bank notes.

The new deputy governor is to be Mr. Christopher "Kit" McMahon who will take over on March 1 from Sir Jasper Hollom. After 10 years in the post, Sir Jasper, who is 62, is to become a non-executive director.

Mr. McMahon, 52, has been a director for 10 years concerned with overseas matters. In his new role he will be closely involved in the co-ordination of domestic and external monetary policy and operations.

The change has no direct implications for the possible succession to Mr. Gordon Richardson, the governor, whose term expires in three year's time. However, Mr. McMahon is among the three or four most frequently mentioned candidates.

In place of Mr. McMahon on the overseas side, Mr. Anthony Loehnis has been brought in as an associate director from Schroder Wagg, the merchant bankers.

Other changes in personnel follow from the structural reorganisation in which the chief cashier's department including a wide area of market and banking operations will be split.

Consequently, the post of chief cashier, as at present understood, will disappear. The title is being retained for statutory reasons and will be held by Mr. David Somerset, the new Chief of the Banking Department. He will sign bank notes from now on.

Mr. John Page, the chief cashier and signatory of notes for the last 10 years, is to become an executive director responsible for financial structure and supervision.

Under the new arrangements the Bank will be divided into three areas — policy and markets; financial structure and supervision; and operations and services. The latter area employs most staff and will be run by Mr. George Blunden.

Mr. John Fforde will continue to be responsible for home finance and Mr. Christopher Dow will remain the economic director.

Profile, Page 6

Earnings up 19.2%

Continued from Page 1

its attempt to reduce inflation through monetary policy. But it is too early to be definite about the likely earnings outcome in the current pay round.

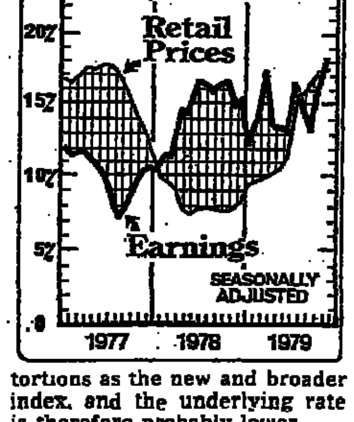
Apart from special month-to-month distortions, comparisons with 12 months ago are affected by the major labour disputes in later 1978 and also by the fact that more workers have settled pay deals than at the same stage a year ago. This would tend to push up the 12-month rate.

Nevertheless, it is likely that as the current high level of pay increases replaces the generally lower rises of a year ago in the comparison, the underlying rate will climb further. Moreover, further instalments of the Clegg pay comparability awards in the public sector have still to work through. These may add 2 per cent to average earnings in 1979-80.

The rate of increase of average earnings is above the 12-month rate of retail inflation—17.4 per cent in mid-November —which implies that real earnings may still be rising.

The older index of average earnings covering 11m workers, mainly in production industries, rose 1.6 per cent seasonally adjusted in November to 407.6 (January 1970=100).

This represents a rise of 18.3 per cent over the previous 12 months, the highest rate since March 1976. The older index is, however, subject to similar distortions as the new and broader index, and the underlying rate is therefore probably lower.



Weather

UK TODAY

COLD: Dry with sunny intervals.

S.E. England, Rest of England, Wales, S. Scotland

Mostly dry, bright or sunny intervals. Winds easterly mainly light. Rather cold. Max. 5C (41F).

C. Scotland, N. Ireland

Mostly cloudy, few bright intervals. A little rain in places later with patchy hill fog. Winds south westerly, light to moderate. Max. 6C (43F).

Outlook: Becoming less settled and generally rather cold.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	R	9	48	Lisbon	F	9	48
Algiers	F	15	59	Locarno	R	4	39
Amsdm.	S	0	32	London	F	5	41
Athens	R	13	55	Luxmbg.	F	−2	28
Bahrain	S	20	68	Madrid	F	3	37
Bacrlna.	S	8	46	Majorca	S	13	55
Belfast	C	0	32	Malaga	R	9	48
Belgrd.	C	−5	23	Malta	F	15	59
Berlin	S	−1	30	M'chstr.	C	4	39
Biarritz	S	7	45	Melbne.	C	16	61
Bmghm	S	3	37	Milan	R	3	37
Blackpl.	C	3	37	Bntreal.	S	−4	24
Bordx.	F	1	34	Moscow	Sn	10	14
Boulgn.	C	2	36	Munich	Sn	−9	16
Bristol	S	1	34	Nairobi	S	26	78
Brussels	C	−1	30	Naples	C	9	48
Budpst.	Sn	−1	30	Nwcastl.	C	4	39
B. Aires	C	29	84	N. York	S	6	43
Cairo	S	16	60	Nice	C	8	46
Cardiff	F	3	37	Oporto	C	8	46
Cas'b'ca	R	12	54	Oslo	C	−2	28
Cape Tt.	S	29	84	Paris	F	0	32
Chicago	Fg	8	47	Perth	S	26	79
Cologne	S	1	34	Prague	C	−7	19
Cpnhgn.	S	1	34	Reykjvk.	C	2	36
Corfu	C	13	55	Rhodes	C	14	57
Dublin	C	2	36	Rio J'o	C	27	80
Dbrvnk.	C	13	55	Rome	R	10	50
Ednbgh.	C	2	36	Salzbg.	Sn	−6	21
Faro	F	12	54	Singapr.	S	30	86
Florence	C	9	48	Stckhm.	C	−2	28
Frankft.	S	0	32	Strasbg.	C	−4	25
Funchal	C	15	59	Sydney	S	22	72
Geneva	C	−3	27	Tangier	R	10	50
Gibrltr.	C	11	52	Tehran	Sn	−2	28
Glasgow	C	3	37	Tel Aviv	S	13	55
G'rnsey	C	5	41	Tenerife	F	15	59
Helsinki	S	−10	14	Tokyo	C	9	48
H. Kong	S	18	64	Toronto	C	2	36
Innsbrk.	C	−7	19	Tunis	C	12	54
Invrnss.	C	2	36	Valencia	S	12	54
Istanbul	C	7	45	Venice	C	3	37
Jersey	S	4	39	Vienna	Sn	−4	25
Jo'burg	C	24	75	Warsaw	S	−3	27
L. Plms.	S	20	68	Zurich	C	−7	19

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

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